



Daily Report

China

FBIS-CHI-91-153
Thursday
8 August 1991

Daily Report

China

FBIS-CHI-91-153

CONTENTS

8 August 1991

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Official Urges Relaxed Export Restrictions [CHINA DAILY 8 Aug]	1
'New Trend' in Trade Policy [Hong Kong WEN WEI PO 5 Aug]	1
International Flood Relief Contributions Received [XINHUA]	2
Cambodian, CSFR Aid [XINHUA]	2
Commentary Views Donations [ZHONGGUO XINWEN SHE]	3

Soviet Union

Yanayev Receives PLA's Chi Hoatian [XINHUA]	4
USSR, Israel Near Restoring Diplomatic Ties [XINHUA]	4
Yeltsin's Departization Decree Assessed [XINHUA]	4

Southeast Asia & Pacific

Sources Report Agreement With SRV on Relations [AFP]	4
Nyugen Dy Nien Arrives [AFP]	5
XINHUA Report	5
Editorial Views Background [Hong Kong WEN WEI PO 8 Aug]	5

NATIONAL AFFAIRS

Political & Social

Deng Xiaoping Bolsters Vice Premier Zhu Rongji [Hong Kong SOUTH CHINA MORNING POST 8 Aug]	7
Jiang Zemin Inscribes Tomur Dawamat Poetry [XINJIANG RIBAO 23 Jul]	7
Li Peng Inspects Songhua Jiang Flood Situation [Harbin Radio]	8
Tian Jiyun Inspects Beijing Flood Control Work [BEIJING RIBAO 4 Jul]	8
Editorial Hails Ability To Overcome Disasters [Hong Kong WEN WEI PO 3 Aug]	9
New Office To Trace Sources of Rumors on Leaders [Hong Kong MING PAO 5 Aug]	10
Article Urges Cultivating Party Spirit [RENMIN RIBAO 31 Jul]	11
Enterprises Improve Ideological-Political Work [XINHUA]	12

Military

Yan Mingfu, Others Visit Army Units in Xinjiang [Urumqi TV]	14
Analysis of Army 'De-Ideologization' Theme [RENMIN RIBAO 29 Jul]	14
Work of Army Party Committee Praised [RENMIN RIBAO 30 Jul]	15
Development of Strategic Missile Force Outlined [ZHONGGUO TONGXUN SHE]	17
Guizhou Secretary Addresses Two-Support Meeting [Guiyang Radio]	18
Guangxi Secretary Extends Greetings to Troops [Nanning Radio]	19

Economic & Agricultural

Jiang Zemin Inscribes New Economics Book [JIEFANG RIBAO 3 Aug]	19
Li Guixian Inspects Heihe Construction Sites [Harbin Radio]	19
Planning Official Comments on Key Projects [XINHUA]	20
'Top Issues' of Labor Employment Reform [RENMIN RIBAO 31 Jul]	21

Economist Li Yining Outlines Reform Plan [Frankfurt/Main FRANKFURTER RUNDSCHAU 7 Aug]	21
Lawyers Meet in Beijing on Debt Default Recovery [XINHUA]	24
National Lawyers Meet in Dalian on Debt Chain [XINHUA]	24
Imports, Exports for First Half of 1991	24
Imports [CEI Database]	24
Exports [CEI Database]	25

REGIONAL AFFAIRS

East Region

Anhui Implements UN-Funded Flood Relief Programs [XINHUA]	27
Wu Guanzheng Discusses Fines, Economic Efficiency [Nanchang Radio]	27
More on Jiang Chunyun Inspection of Huimin [Jinan Radio]	27

Central-South Region

Guangdong To Launch August Antidrug Campaign [Guangzhou Radio]	28
Shenzhen Plans Measures [XINHUA]	28
Hou Zongbin Inspects Henan Disaster Areas [Zhengzhou Radio]	28
At Meeting on Production, Relief [Zhengzhou Radio]	29
Guan Guangfu Inspects Hubei Disaster Areas [Wuhan Radio]	29
Chen Bangzhu Inspects Hunan Disaster Situation [Changsha Radio]	30

Northeast Region

'Northeast Phenomenon' of Declining Industry [ZHONGGUO XINWEN SHE]	30
Sun Weiben at Party Standing Committee Meeting [Harbin Radio]	32

Northwest Region

CPPCC's Qian Weichang Inspects Gansu [Lanzhou Radio]	32
Gansu Officials Issue Appeal To Combat Drought [XINHUA]	33
Yin Kesheng at Qinghai Commodity Fair Opening [Xining Radio]	33
Jin Jipeng Interviewed on Cooperation [JIEFANG RIBAO 2 Aug]	33
Rural Enterprises 'Pillar' of Qinghai [XINHUA]	34

PRC MEDIA ON TAIWAN AFFAIRS

Red Cross Society To Send Envoys to Taiwan [XINHUA]	36
Limitations Regretted [XINHUA]	36
'Mainland-Taiwan Relations' Symposium Opens [XINHUA]	36

TAIWAN

Mainland Red Cross Officials Allowed To Visit [CNA]	38
Reporters' Trip Unlikely [CNA]	38
Paper To Invite Journalists [CNA]	38
Reporters Allowed Entry [CNA]	39
Companies With Mainland Investments To Organize [CNA]	39
Petrochemical Investments in Mainland Disallowed [CNA]	39
Li Teng-hui Meets U.S. Congressional Delegation [CNA]	40
Fishermen Protest U.S. Senate Driftnet Bill [CNA]	40
Direct Banking Ties Established With USSR [CNA]	40
Taipei, Moscow To Discuss Fishery Cooperation [Taipei Radio]	40
Fishery Pact Supersedes Philippine Executive Order [CNA]	41
Labor Agreement With Philippines Studied [CNA]	41

HONG KONG & MACAO

Hong Kong

BCC-Related Rumors Lead to Run on Citibank	[AFP]	42
Guangdong Seeks More Money for Water Supply	[SOUTH CHINA MORNING POST 8 Aug]	42
Government Signs Lantau Port Consultancy Deal	[SOUTH CHINA MORNING POST 7 Aug]	43
Editorial Notes Electoral System 'Anomalies'	[SOUTH CHINA MORNING POST 7 Aug]	43

General

Official Urges Relaxed Export Restrictions

HK0808035291 Beijing CHINA DAILY in English
8 Aug 91 p 2

[By staff reporter Zhang Yuan]

[Text] Western countries should relax restrictions on the export of technology to China, and speed up export licence approvals, a senior foreign trade official said yesterday. This would encourage faster development of China's technology imports from the West.

The official, with the Ministry of Foreign Economic Relations and Trade (MOFERT), was speaking against a background of what he called "a considerable decline" in technology imports in recent years due to administrative obstacles and restrictions imposed by the West.

"If the problem is not solved, technology trading between China and the West must be restrained, which will affect the interests of Western exporters," Liu Hu, deputy director-general of MOFERT's Technology Import and Export Department, told CHINA DAILY.

For instance, he said, China decided a couple of years ago to import a big computer from a Western country for the State Meteorological Bureau to help in making medium- and long-term weather forecasts. This would benefit not only China's agricultural and industrial production, but also that of the neighbouring countries.

But the country, which he declined to specify, had not issued an export licence for the computer with an export licence even now, two years after the contract was signed.

There are many such cases, Liu said.

"It is China's long-term policy to import advanced foreign technology to renovate Chinese enterprises and promote economic development," Liu stressed, adding that technology imports from abroad in the past have played an important role in upgrading the country's agricultural and industrial production and in developing the national economy.

In the past few years, China's foreign exchange reserves have increased pretty fast and reached more than \$30 billion by the end of June this year.

In the future, Liu said, the country will spend a "considerable amount" of its surplus hard cash on importing advanced technology and equipment from foreign countries.

"China's purpose in exporting more is to import more. We hold that a trade balance should be sought on the basis of further expansion, rather than a negative 'balance-for-balance sake' attitude," he said.

Liu emphasized that China had published quite a few laws and regulations on the protection of the rights of

Western intellectual property and the interests of investors, to encourage foreign countries to transfer their technology to the country.

They included the Patent Law, the Trade-mark Law, Copyright Law, a regulation on contracts for technology imports and a regulation on protection of computer software.

Liu said China will continue as before to follow international common norms in protecting the interest of intellectual property holders.

He gave assurances that China's technology imports will increase and be all dimensional, hinting that those who are active in transferring technology to China will get more trade opportunities.

He also outlined China's key development aims for foreign co-operation in the Eighth Five-Year Plan period (1991-95).

They are the industries of energy resources, communications, post and telecommunications and electronics, he said.

Meanwhile, the country's technology export industry, though still at a primary stage, has been developing very fast and in 1990 exports reached nearly \$1 billion.

China is to hold a major technology export fair, the '91 China Technology Fair, in Shanghai, in September. The exportable technology developed by China will cover machine-building, electronics, metallurgy, textiles, chemicals, medicine, light industry, building materials, computer software, food and environmental protection, Liu said.

'New Trend' in Trade Policy

HK0708130791 Hong Kong WEN WEI PO in Chinese
5 Aug 91 p 2

[Editorial: "Exchange Technology for Market—New Trend in China's Foreign Trade Policy"]

[Text] While talking about China's efforts to increase imports not long ago, a Chinese Ministry of Foreign Economic Relations and Trade spokesman said that the higher the level of technology a foreign country exports to China, the bigger Chinese market it will get. This is China's new foreign trade policy and is worthy of attention.

China has always combined imports and exports and maintained them in balance by using imports to support exports. Because China is in the initial stage of industrialization, it has a big demand for advanced foreign technology and equipment. But its foreign exchange is limited, so it strictly controls the imports of commodities (particularly daily necessities) the country can manufacture.

Since reform and opening up, China's economic strength has improved and its imports and exports have increased. Now China has become the 16th biggest trading country in the world. Estimated on the per capita basis, China's foreign trade is not big because China's economy is mainly composed of domestic sales. The

World Bank has confirmed the rapid increases in China's imports and exports. In 1990, China's imports and exports increased twofold over 1980, and its exports grew faster than its imports.

The rapid increase in China's foreign trade indicates that China has witnessed increasing economic exchanges with the rest of the world. In a sense, this also reflects China's economic growth. Some people abroad criticized China for export "dumping." This is not strange. All countries and regions making an economic takeoff met with similar reproach. Europe and the United States even regard developed Japan as a big dumping country. As a matter of fact, China's exports are still far from dumping. In particular, joint venture products constitute a large portion of China's exports now. China does not carry out large-scale marketing abroad or unfair competition by providing price subsidies.

Chinese customs departments' statistics show that imports grew slower than exports, but the quantity of foreign commodities entering the Chinese market is far beyond what is provided by these statistics because smuggling has become serious in recent years. We should be aware that the imports of cars and household appliances have played an important role in improving the country's industrial competitiveness. It will not do to protect the national industry by shutting the door. The most important thing is that the state should exercise proper control over imports according to actual needs, to prevent duplicate imports, and should pay attention to economic results when using foreign exchange.

The formation of regional markets has become a trend in the present-day world. The EC and the North American free trade zone are very large. In Asia, there are the northeast economic sphere, the south China economic sphere, and the Southeast Asian common market. The 1.1 billion Chinese people are gradually improving their productive forces and purchasing power. This has enabled this huge market to play a more important role in the world economy. Western economic sanctions against China have been of little avail and have met with strong criticism because China has become an important market for many Western companies. The United States cannot abolish the most-favored-nation treatment to China because, to a large extent, it has to consider the interests of U.S. companies in China.

Commerce is aimed at producing actual results. If you do not do business in a market with 1.1 billion people, others will come immediately. Before U.S. Coca-Cola entered the Chinese market, some people said this was a daydream. But now Coca-Cola is familiar to everyone on the mainland, and its sales are expanding. This proves the company's farsightedness. This is the same with Japanese household appliances entering the Chinese market.

China is implementing the Eighth Five-Year Plan, during which it will invest 1,390 billion yuan in capital construction projects and the transformation of old enterprises. It will also import advanced technology and equipment from

abroad. Needless to say, this will provide an opportunity for Western companies. China has decided to exchange its market for technology. This serves as a counterattack to "technology protectionism." No technology can be monopolized forever in the present-day world. If you do not sell technology to China, others will, and they will get a bigger market in China. China and the British-Netherlands Shell Group have decided to pool capital totaling \$2.5 billion to build a petrochemical project. This is an example. Following visits to China by Japanese Prime Minister Toshiki Kaifu and British Prime Minister John Major, it is believed that China will make more achievements in exchanging its market for technology. As an important intermediary for China's foreign trade, Hong Kong will also obtain more business opportunities from this development.

International Flood Relief Contributions Received

OW0808053191 Beijing XINHUA in English
0433 GMT 8 Aug 91

[Text] United Nations, August 7 (XINHUA)—The international community contributed more than 10 million U.S. dollars for relief work by August 1, following an urgent appeal on July 11 by the Chinese Government for international assistance to the flood-afflicted areas.

This was announced by Ambassador Li Daoyu, China's permanent representative to the United Nations, on the UN Radio Station this afternoon.

He told the audience that some governments of friendly countries and international organizations were discussing further assistance.

"All this assistance, no matter how big or small, has reflected a friendly sentiment and humanitarian spirit of the assisting parties towards the Chinese people," he noted.

In addition, the flood in China had caused concern in various circles in Hong Kong, Macao, and with other Overseas Chinese. By August 1, people from Hong Kong and Macao alone had contributed 600 million Hong Kong dollars.

Cambodian, CSFR Aid

OW0708183691 Beijing XINHUA in English
1219 GMT 7 Aug 91

[Text] Beijing, August 7 (XINHUA)—The staff members of the Cambodian Embassy here, along with Cambodian experts and students currently staying in Beijing, donated a total of 2,410.24 yuan to the people in the flood-stricken areas in east China yesterday, according to Chinese Foreign Ministry sources.

Meanwhile, they expressed sympathy and solicitude in a letter for the flood victims.

Also, the staff of the Czechoslovak Embassy in Beijing today donated 475 U.S. dollars and 120 yuan in foreign exchange certificate to the flood-hit areas.

Commentary Views Donations

HK0708133291 Beijing ZHONGGUO XINWEN SHE
in Chinese 2227 GMT 4 Aug 91

[Commentary by reporter Zhao Jian (6392 0256): "Chinese in Different Parts of the World Extending Helping Hand to China's Flooded Areas"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 4 Aug (ZHONGGUO XINWEN SHE)—After they learned that floods caused havoc in east and central China, Overseas Chinese and foreign citizens of Chinese origin in different parts of the world have extended their helping hand to China's flood-stricken areas, thus displaying a commendable and moving feeling of fellowship.

Incomplete statistics show that by the end of July, the total amount of various donations to disaster areas by Overseas Chinese and foreign citizens of Chinese origin in over 30 countries has exceeded 50 million yuan, an unprecedented figure. Donors include people from all professions and trades, including not only people from the industrial and commercial, financial and monetary, art, sports, media, religious, medical, and political circles, but also disabled persons in wheelchairs, the elderly living in old people's homes, housewives, and young children. The wide range involved and the large number of donors are both rarely seen and heard of.

During fund-raising campaigns, Chinese media in various parts of the world have played an important role. Chinese newspapers, radio stations, and television stations gave the latest reports on the situations of various stricken areas, thus enabling all Chinese living in different parts of the world to immediately know about the grave difficulties confronting China. Many press organizations published roundups, commentaries, and readers' letters to show deep concern for the disasters currently plaguing China. In addition, some press organs also directly appealed for and organized donations to help the people in disaster areas, some opening special donation columns and publishing extras, with others announcing the names of donors.... With all these efforts, a considerable amount was collected by various press organs. The Chinese press in the United States collected donations of more than \$120,000. On the very day of their joint fund-raising campaign, two Chinese newspapers in the Philippines raised more than \$87,000. The newspaper ZHONG HUA RI BAO [CHINA DAILY, 0022 5478 2480 1032] in Thailand received 30,500 baht in donations on 23 July alone. All this has given impetus to various places to carry out fund-raising activities more extensively.

Associations and social groups for the Chinese in various places have acted as major organizers of aforementioned fund-raising activities. A large number of fraternity clubs, associations for fellow townsmen, industrial and commercial federations, and trade councils called and wrote to their members for donations. Overseas Chinese and foreign citizens of Chinese origin in many places also set up fund-raising committees and organizations, including 10 in North America and 18 in the south Pacific region and

South America. These clubs, associations, social bodies, and committees briefed people on China's disastrous situation by organizing rallies, showing videotapes, and passing out information sheets. They also held charity performances, bazaars, and dinners; called on major companies to make donations; set up fund-raising stations in streets; and opened donation accounts in banks. All these met with a warm response from people of all social sectors. At the inaugural meeting of a disaster relief committee of Chinese groups in New South Wales, participating groups donated more than 70,000 Australian dollars on the spot. The Philippines-Chinese Trade Council raised over 7 million pesos during the first week of their fund-raising campaign. The efforts of such associations and social groups in organizing fund-raising activities helped build up a greater momentum.

In addition, many individual Chinese also extended their helping hands through various channels: Some went to Chinese embassies to ask about the situation in China and then donated money and materials on the spot. Others raised funds by giving medical consultation. Still others auctioned off their precious mementos. Moreover, some people volunteered to print information sheets on the disastrous situation in China, and delivered relief goods free of charge.... A number of Overseas Chinese and foreign citizens of Chinese origin, who are currently investing in and attending meetings and summer camps in China, have also generously donated money. All these show that Overseas Chinese and foreign citizens of Chinese origin have donated through varied forms and channels.

Among those Overseas Chinese and foreign citizens of Chinese origin who donated money and materials to stricken areas in China, some donated their life savings; others even gave up their dream to visit the motherland by donating all they have. However, they all say: We should do our best to help all those who suffer from natural disasters, regardless of their citizenship or nationality. Now, seeing our loved ones and compatriots suffering from a disaster, we must not stand by with folded arms. During these fund-raising campaigns, Overseas Chinese and foreign citizens of Chinese origin have fully displayed not only the traditional virtue of the Chinese nation to help those in danger and difficulty, but also the deepest concern over and the most sincere feeling of fellowship for the Chinese people.

The fund-raising activities launched by Overseas Chinese and foreign citizens of Chinese origin are now in the ascendant.

The finest fragments of fox fur, sewn together, will make a robe. Unity of will is an impregnable stronghold. We are sure that the fellowship feeling shown by so many Overseas Chinese and foreign citizens of Chinese origin will not only help people in disaster areas tide over difficulties, but also enhance their confidence to resume production and rebuild their homeland.

Soviet Union**Yanayev Reassures PLA's Chi Hoatian***OW080801165 Beijing XINHUA in English
0030 GMT 8 Aug 91*

[Text] Moscow, August 7 (XINHUA)—Vice President of the Soviet Union Gennadiy Yanayev met visiting Chief of General Staff of the Chinese People's Liberation Army (PLA) General Chi Haotian, in the Kremlin today.

They held a friendly talk on the relationship of the two countries. Also present were Yu Hongliang, Chinese ambassador to the Soviet Union, Ning Wenyan, military attache of Army, Navy, and air of the PLA and other major members of the visiting delegation.

General Chi and other members of the delegation also visited Zvezdnyy Gorodok, astronaut training center located in suburban Moscow, an Army farm and the Monino Air Museum.

USSR, Israel Near Restoring Diplomatic Ties*OW0808020991 Beijing XINHUA in English
0027 GMT 8 Aug 91*

[Text] Moscow, August 7 (XINHUA)—The restoration of Soviet-Israeli diplomatic relations is nearing, "but the final decision on the issue can only be taken in the context of unfolding negotiations on a comprehensive settlement of the Arab-Israeli conflict."

Soviet TASS News Agency quoted a Soviet Foreign Ministry spokesman as saying today without giving the name of the spokesman. [sentence as received]

"I believe that both developments should generally coincide in time," he added.

This is the Soviet official response to recent remarks by Israeli government officials on possible restoration of diplomatic relations before a peace conference on the Middle East begins.

Diplomatic ties of the two countries were cut during the 1967 Mideast War.

Yeltsin's Departization Decree Assessed*OW0808105891 Beijing XINHUA in English
0938 GMT 8 Aug 91*

[Text] Moscow, August 7 (XINHUA)—New Russian Communist Party chief Valentin Kuptsov said Wednesday that Russian President Boris Yeltsin's departisation decree runs counter to the constitution but his party will be "prepared to work under departisation."

Kuptsov, elected Tuesday to replace Ivan Polozkov as the first secretary of the Russian Communist Party, told a news conference that Yeltsin's decree, which bans

party cells from the workplace and other public institutions, "has caused considerable confusion in the activities of party organisations."

He said his party will use every opportunity granted in the constitution to convince people of the unlawfulness of the decree.

The 53-year-old new chief said his main task is to establish "good" and businesslike contacts with the new Russian state authority, which was elected last June.

With regard to the recent conference which declared the founding of the Democratic Party of Russian Communists (DPCR), Kuptsov said establishing a second party within the Soviet Communist Party is against the party charter.

At Tuesday's plenary session of the Russian Communist Party, Aleksandr Rutskoy and Vasily Lipitsky, who initiated the DPCR, were expelled from the party.

Kuptsov, born in December 1937 into a peasant's family in the Vologda region's Cherepovets district in northern Russia, served two years in the army before working at a metallurgical works, where he became a shop Communist Party committee chief.

A Soviet Central Committee member since 1986, he was elected a Central Committee secretary in July, 1990.

Southeast Asia & Pacific**Sources Report Agreement With SRV on Relations***BK0808095691 Hong Kong AFP in English 0948 GMT
8 Aug 91*

[Text] Hanoi, Aug 8 (AFP)—Vietnam and China agreed in principle to normalise relations during a recent unannounced visit to Beijing by General Le Duc Anh, number two in the Vietnamese Communist Party, diplomatic and Vietnamese sources said Thursday.

Relations between the two Communist nations have been badly strained since Vietnam's invasion of Cambodia more than 12 years ago.

The visit of Anh, who is also Vietnam's defence minister, has not been officially confirmed.

On Wednesday Vietnamese Deputy Foreign Minister Nguyen Dy Nien arrived in Beijing on a four-day visit for further discussions on normalizing ties, a Vietnamese source in the Chinese capital said.

The sources here said the normalisation process, which has accelerated in recent months as progress was made toward a peace settlement in Cambodia would be made official during an October trip to Beijing by Party Secretary-General Do Muoi, Vietnam's senior leader.

Nyugen Dy Nien Arrives

HK0708135791 Hong Kong AFP in English 1342 GMT
7 Aug 91

[Text] Beijing, Aug 7 (AFP) - Vietnamese Deputy Foreign Minister Nguyen Dy Nien arrived here Wednesday for a four-day visit aimed at normalizing ties with long-time rival China, a Vietnamese source said.

The vice-minister level contact was the first between Asia's two communist neighbors after a 14-month interruption due to a stall in Cambodian peace talks. Hanoi and Beijing support opposing parties in the conflict.

Nien arrived by plane from Bangkok after leaving Hanoi on Tuesday.

His talks here will focus on concrete measures to restore relations and on a political settlement of the Cambodian civil war, an informed Asian source said.

The meetings follow a secret visit to China last week by Vietnam's defense minister and second-ranking leader of the ruling Communist Party, General Le Duc Anh, the source said.

The general had come to brief China on changes in the Vietnamese party during a plenum that strengthened its hard-line wing, the source said, adding that he met with a senior Chinese leader.

The Chinese Foreign Ministry said Nien would hold consultations from Thursday to Saturday with his counterpart Xu Dunxin, who is in charge of Asian affairs and is a specialist on the Cambodian question.

The agenda was likely to include restoration of rail links and commercial relations, which now exist as unofficial border trade.

China said last week it planned to open new border posts along its 1,000-kilometre (600-mile) border with Vietnam.

But the principal area of contention, according to a Western diplomat, remained Cambodia. Beijing has said repeatedly that normalization with Hanoi could progress only with advances in the Cambodian question's settlement.

The vice ministers were expected to confer on the Cambodian Supreme National Council's next meeting at the end of the month in the Thai resort of Phatthaya. The council groups the Hanoi-backed government in Phnom Penh and the tripartite resistance supported by Beijing.

Progress in peace talks has come in recent months due in part to a softening by both Vietnam and China. But the discussions were expected to enter a more difficult phase as negotiations begin on the extent of a proposed United Nations presence in Cambodia before general elections proposed by a U.N. peace plan.

Nien's visit here is the fifth contact at the vice-minister level since January 1989 as the two neighbors move toward a rapprochement after years of enmity.

China launched a short but bloody border war in early 1979 to punish Vietnam for invading Cambodia and overthrowing the Beijing-backed Khmer Rouge there.

The official PEOPLE'S DAILY reported Wednesday on Nien's departure from Vietnam in what experts said was the latest sign of warming between the two countries.

XINHUA Report

OW0808010291 Beijing XINHUA in English
0039 GMT 8 Aug 91

[Text] Beijing, August 8 (XINHUA)—Chinese Vice-Minister of Foreign Affairs Xu Dunxin and Vietnamese Vice-Foreign Minister Nguyen Dy Nien started consultations here this morning.

It was learned that they will exchange views on the political settlement of the Cambodian issue and on the Sino-Vietnamese relations.

Nguyen Dy Nien and his party arrived here yesterday.

Editorial Views Background

HK0808050691 Hong Kong WEN WEI PO in Chinese
8 Aug 91 p 2

[Editorial: "Background to Sino-Vietnamese Consultations"]

[Text] Chinese Vice Foreign Minister Xu Dunxin and Vietnamese Vice Foreign Minister Nguyen Dy Nien will hold consultations from today on the Cambodian issue and bilateral relations.

China and Vietnam have held consultations on three occasions at the vice foreign ministerial level since 1979, the topic being the Cambodian issue. But these consultations were suspended because Vietnam took an obstinate stand. Their current consultations will proceed against a background under which the Cambodian situation is taking a turn for the better and a big adjustment is taking place in Vietnam's internal policy. Therefore their consultations are worthy of attention.

A breakthrough was made in the July Beijing meeting on the Cambodian issue. Taking a forward-looking attitude, the Phnom Penh regime no longer demanded the exclusion of the Khmer Rouge or the appointment of Hun Sen as vice chairman of the Supreme National Council [SNC], and agreed with the arrangement for President Sihanouk to lead an SNC delegation to the UN General Assembly session in September. Son Sann, Hun Sen, and Khieu Samphan will be members of this delegation. The SNC will become the Cambodian sovereign representative before the general elections and will hold a ceremony in November for its formal establishment. Then it will move to Phnom Penh and the general elections will proceed under UN supervision. Discussions will be held on how the United Nations will supervise foreign troop withdrawals, prohibit the entry of foreign weapons into Cambodia, and resolve the reduction and merging of the

four sides' troops. There may be controversy over these problems, but the general trend is that the four sides are gradually moving toward national reconciliation.

If Vietnam can promote this process and help resolve the Cambodian issue, this will indicate a tremendous change in its foreign policy. In a recent adjustment of the leadership of the Communist Party of Vietnam, Du Muoi replaced Nguyen Van Linh as general secretary, and Nguyen Co Thach, a hardliner on the Cambodian issue, withdrew from the Political Bureau. The top Vietnamese leadership has time and again indicated its wish for the normalization of Vietnamese-Chinese relations by September, for the expansion and regular management of border trade, for an early restoration of rail and air transportation between the two countries, and for allowing Chinese ships to berth at Vietnam's Haiphong Port.

The biggest obstacle to Sino-Vietnamese relations is the Cambodian issue. The removal of this obstacle will lead to the normalization of their relations. For this reason, the Chinese and Vietnamese vice foreign ministers may see a turning point at their current meeting. For Vietnam's part, it is not hard to give up controlling Cambodia; this is to ensure Cambodia's independence. He who tied the bell on the tiger should take it off. Since Vietnam has undermined Cambodia's sovereignty and independence by armed aggression, it should now provide guarantees for Cambodia's security and independence and commit itself to never making any harmful move. With the settlement of the Cambodian issue, Vietnam will see an invigorated situation in the entire country.

Foreign reports say Vietnamese Defense Minister Le Duc Anh visited Beijing at the end of July, at which time which he expressed Vietnamese willingness to improve the two countries' relations.

However, formal consultations on the Cambodian issue and bilateral relations will proceed between Xu Dunxin and Nguyen Dy Nien. If everything goes smoothly, as foreign reports have predicted, there will be definite information three days later.

This meeting will also exert favorable influence on the settlement of the Vietnamese boat people issue, a question that has long disturbed Hong Kong. The change in Vietnam's policy and its determination to introduce reform and opening up and restore friendly relations with China will be of much help to economic exchanges between China and Vietnam and to its own economic recovery. Under these circumstances, Vietnam will be responsible for accepting the return of Vietnamese boat people who illegally come to Hong Kong.

Hopefully, Vietnam will really give up its previous policy, which was detrimental to its own development and to peace in Indochina, to make a breakthrough during the talks between the two vice foreign ministers, to facilitate a smooth settlement of the Cambodian issue, and to bring about the normalization of Sino-Vietnamese relations. With an overall settlement of the Cambodian issue, Southeast Asia will enter a new period of steady and peaceful development and China will play a positive role in Asian economic cooperation.

Political & Social

Deng Xiaoping Bolsters Vice Premier Zhu Rongji

HK0808034891 Hong Kong SOUTH CHINA
MORNING POST in English 8 Aug 91 p 10

[By Willy Wo-Lap Lam]

[Text] Patriarch Mr Deng Xiaoping has bolstered the position of Vice-Premier Mr Zhu Rongji by hinting that he could soon take charge of the State Council, or cabinet.

Chinese sources said yesterday Mr Deng, who was dictating major policies on flood control and the reconstruction of stricken areas, had instructed major government leaders with the exception of Mr Zhu to go to the grassroots.

"All State Council leaders should personally check out flood-related conditions in the provinces," Mr Deng reportedly said. "Let comrade Rongji look after the headquarters."

China analysts say this is the clearest instance of Mr Deng expressing his confidence in the former Shanghai mayor's ability to run the State Council.

The question of whether to replace Mr Li Peng as Premier will be high on the agenda of the 14th party congress of the Communist Party scheduled for next year.

Mr Deng, who had personally intervened to promote Mr Zhu to the vice-premiership last April, is understood to be pushing vigorously for his elevation to the top government job.

Almost immediately after Mr Zhu's arrival in Beijing, he was given the additional title of head of the newly-created Production Office, a super-agency charged with overseeing the operations of enterprises as well as the crucial energy and transport sectors.

And Mr Zhu has built up a power bloc mainly consisting of his old colleagues in the State Economic Commission, of which he was vice-minister in the mid-1980s.

Chinese sources said Mr Deng had personally passed along this motto for Mr Zhu: "Do more and talk less. Get along with your business without raising a fuss over it."

A source said: "Deng wants Zhu to quietly expand his power base and to implement market-oriented reform policies in a low-key manner. Deng's former proteges, including ex-party chiefs Hu Yaobang and Zhao Ziyang, were hounded by the conservatives for talking too openly about the need to modernise Marxism."

Analysts say the economy is now effectively run by Mr Zhu and another new vice-premier, State Planning Commission Minister Mr Zou Jiahua, with the result that the authority of Premier Mr Li has been undercut.

They say since the spring, Mr Li has been devoting most of his energy to foreign affairs, the most important policies of which, however, are still made by Mr Deng.

Chinese sources said Mr Li and his advisers had already started a campaign to ensure the Premier's appointment to a second term.

In an interview with a Japanese newspaper earlier this week, State Council spokesman Mr Yuan Mu claimed there would be no major personnel change at the 14th plenum.

Mr Yuan, a long-time protege of Mr Li, said the "Jiang-Li axis"—a reference to party chief Mr Jiang Zemin and Mr Li being the "twin core" of the leadership—would persist beyond the 14th congress.

The spokesman further asserted that the composition of the six-man Politburo Standing Committee would not change.

Analysts say Mr Yuan was insinuating that, even if Mr Li was forced to relinquish his premiership, he would still hold on to the more important position of member of the Politburo Standing Committee.

Jiang Zemin Inscribes Tomur Dawamat Poetry

OW0808055791 Urumqi XINJIANG RIBAO in Chinese
23 Jul 91 p 1

["Jiang Zemin Inscribes Titles for Poetry Anthology *Torch of Life*"—XINJIANG RIBAO headline]

[Text] On 4 July, Jiang Zemin, general secretary of the Central Committee of the Communist Party of China [CPC], delightedly wielded his writing brush to inscribe the title for Xinjiang Autonomous Region Chairman Tomur Dawamat's poetry anthology *Torch of Life*. This was the first time that General Secretary Jiang had inscribed the title of a literary work of art. It will be published by the Writers' Publishing House in late September as a present dedicated to the 42d anniversary of the founding of the R-public.

Comrade Tomur Dawamat is a member of the Chinese Writers' Association. Since boyhood he has ardently loved literature and art. He has spent his time collecting and codifying ballads and folk songs and fervently composing poems and songs. Since he assumed the leading posts in the autonomous region in the 1960's, his desire to write has never subsided. Over the past 30 years, he has spent his spare time writing a large number of poems eulogizing the motherland's charm and beauty and the CPC's unity with all nationalities across the country. So far, he has published three poetry anthologies, two of which have been translated into Japanese. Some of his other works have been translated into Russian and published in the Soviet Union and other countries. *Torch of Life* is a collection of Comrade Tomur Dawamat's principal works which he has composed in his spare time over the past 30 years. They show a poet's creative achievements in an all-round way and reflect the maturity of the poet's creative skills.

Li Peng Inspects Songhua Jiang Flood Situation

SK0808061491 Harbin Heilongjiang People's Radio Network in Mandarin 2100 GMT 7 Aug 91

[Text] Li Peng, member of the Standing Committee of the Political Bureau of the CPC Central Committee and premier of the State Council, inspected the flood situation in the mainstream of our province's Songhua Jiang during the past two days. He called on the party, the government, the army and the people across the province to work with one heart and one mind, stand for self-reliance and arduous struggle, and make all necessary preparations for meeting the approaching more serious floods and reap a complete victory in this year's struggle to prevent and combat floods.

Premier Li Peng came to our province by plane from Fengman in Jilin Province at 2000 in the evening of 4 August. On 5-6 August he travelled to Jiamusi and Harbin to inspect the flood situation in Songhua Jiang, examined the dangerous sections of the river embankments, went to the antiflood forefront to send regards to the People's Liberation Army, the Armed Police Force, the militia, workers, peasants and the masses, public security cadres and policemen, and office cadres; visited the flood victims; and conveyed the cordial regards sent by the CPC Central Committee and the State Council.

After listening to briefings given by leading comrades of Heilongjiang and Jilin Provinces on preventing and combating floods, Premier Li Peng said: You have achieved initial success in your struggle to combat floods. At present, you should not have an attitude of slackening your vigilance. Leaders at all levels should place the work of combating floods and dealing with emergencies above all other current tasks, base their actions on guarding against more serious floods, make all preparations for meeting the more serious floods, firmly grasp the precious time in the next 10 days or so to reinforce the dikes, resolutely clear up obstacles, prepare for dealing with emergencies, work with one mind from higher to lower levels, and ensure the safety of all cities along rivers and other cities and towns in Harbin and Jiamusi, and win a complete victory in this year's antiflood struggle.

Premier Li Peng also stressed that our province should strive to reap a fairly good agricultural harvest, strengthen late-stage field management, do a good job in autumn harvests, guarantee that this year's total grain output will reach 40 billion kg, make up for poor harvests in the years of rich harvests, and do a good job in sending relief to other disaster areas in the province and the country.

Premier Li Peng pointed out: It is necessary to do a good job in building depots to store up grain, build a number of permanent and fairly advanced grain storage facilities along the railway lines. Premier Li Peng stressed in particular: It is necessary to conscientiously sum up this year's experiences and lessons. We must not forget [words indistinct] because droughts have occurred more

frequently than floods during the last 10 years. Concerning this point, higher and lower levels must enhance understanding. It is necessary to strengthen and attend to the building of water conservancy projects according to our capacity, rely on and mobilize the masses to put in labor service, and to reinforce the embankments and projects along the rivers. He said: Harbin has done a lot to enhance the capacity to prevent and combat floods. During the past few years, leaders of this city have paid attention and grasped this work with unremitting efforts and made the work of protecting Harbin known to every family and made every body care for the work. While carrying out the work to prevent and combat floods, enterprises dispatched workers to guard the dike sections. Urban construction and the building of river embankments were carried out simultaneously. Soil left over from capital construction was used to build river embankments. Thus, Harbin succeeded in killing two birds with one stone. These experiences are very good.

In his speech, Premier Li Peng also gave directives on how to do a better job in economic work, invigorate state-run large and medium-sized enterprises, and clear up debt chains.

Accompanying Premier Li Peng during his inspection tour were Yang Zhenhuai, minister of water resources and deputy head of the State Flood Control Headquarters; Liu Zhongyi, minister of agriculture; Shi Dazhen, vice minister of energy resources, and (?Yang Yongzhe), deputy director of the State Council Research Office. Sun Weiben, secretary of the provincial party committee; Shao Qihui, deputy secretary of the provincial party committee and provincial governor; and Ma Guoliang, deputy secretary of the provincial party committee, accompanied Premier Li Peng during the whole inspection tour. Also accompanying him were Tang Zuohou, commander of the provincial military district, and (Wang Guiqin), deputy commander of a certain combined arms army stationed in Harbin.

Tian Jiyun Inspects Beijing Flood Control Work

SK0708092091 Beijing BEIJING RIBAO in Chinese 4 Jul 91 p 1

[Text] When inspecting the flood control work on the banks of Yongding He and Guanting Reservoir on 3 July, Tian Jiyun, member of the Political Bureau of the CPC Central Committee, vice premier of the State Council, and head of the State Flood Control Headquarters, stressed: We must pay great attention and make full preparations for this year's flood control work and ensure that there should be no risk at all. Chen Xitong, state councillor, mayor of Beijing Municipality, and commander of the municipal flood and drought control department, accompanied Tian Jiyun to make the inspections.

At a recent routine work conference of the State Council, Chen Xitong put forward the issue of guarding against the Yongding He floods. Premier Li Peng paid full attention to this. On the morning of 3 July, Tian Jiyun and Chen Xitong drove more than 300 km especially to inspect the flood

control work along Yongding He, Guanting Reservoir, Zhaotang Reservoir, and the Guanting Mountain gorge area where reservoirs and dikes are to be built; and to hear the flood control work reports.

At Guanting Reservoir, Tian Jiyun asked in detail about the reservoir's anticarquake capability and about the telecommunications and transportation situation. Guanting Reservoir, located in the northwestern part of the municipality, was the first large water conservancy project that was built after the founding of new China. The reservoir controls 97 percent of the Yongding He hydrographic net area. (Yongding He is one of China's four large rivers with direct flood control functions. It has long been known as "small Huang He.") It also has important functions for combating floods, supplying water, and safeguarding the safety of the capital. Some 623 million cubic meters of silt were accumulated at Guanting reservoir due to serious soil erosion on the upper reaches of Yongding He. The reservoir will lose its functions if the situation does not improve. After hearing about the situation, Vice Premier Tian Jiyun pointed out: A large reservoir like this should bring its functions into better play. Clearing silt, filling water surface with earth, and improving and developing reservoirs is a way to change useless areas into treasure and to bring about good economic results. Applying development and economic methods and using a portion of state-allocated funds to start the project of clearing silt and filling water surface with earth is a measure to assume long-term responsibility for the state, the people, and the future generations. Chen Xitong said: Where there is land, there are grain and fruit. We are able to develop state-run farms. Yang Zhenhuai, minister at the Ministry of Water Resources and deputy head of the State Flood Control Headquarters, said that this was a good method and the Ministry of Water Resources would support it. After being informed that the flood control tasks had been assigned, Chen Xitong took the lists of the personnel at various levels who were assigned to take charge of the flood control work, and said that tasks must be assigned to individuals on the basis of responsibility, and we must investigate and affix responsibility if there are any problems. Tian Jiyun said that this was a certificate of military order through which individuals assume responsibility for the accomplishment of the assigned tasks.

Tian Jiyun pointed out: Beijing is the capital. We must not lower our guard whether there is heavy rainfall or not. According to the weather forecast, there will be very much more rainfall this year. We would rather believe the worst, and be pleasantly surprised, than to be optimistic and learn the worst. We must maintain sharp vigilance but never become careless. Tasks of top priority at present are to prepare materials for the flood control work, such as straw mats, straw bags, and stones; and to provide communications and transportation services. We must conscientiously assign tasks to individuals on a responsibility basis. Approaching from a long-term point of view, we must strengthen the overall management of reservoirs and river courses.

Chen Xitong said: The party Central Committee and the State Council have paid full attention to the flood control work, and are concerned with the safety of the people in the capital. Beijing Municipality should resolutely implement Comrade Tian Jiyun's instructions and make full preparations for the flood control work. Where there is precaution, there is little or no danger. We must make full preparations for the people. We will certainly suffer losses if we lower our guard and become careless. Therefore, the flood control headquarters at various levels must immediately go into action and further inspect the flood control work of Yongding He. Simultaneously, we must also make good preparations for combating the second and third flood peaks of Chaobai He.

Yang Zhenhuai pointed out that where there are more preparations, there are fewer losses. Some enterprises along both sides of Tai Lake were flooded due to lack of preparation. Thus, departments should positively mobilize the people to combat the floods and simultaneously supervise the work.

Li Changan, deputy secretary general of the State Council and deputy head of the State Flood Control Headquarters; Zhou Wenzhi, vice minister at the Ministry of Water Resources; and Huang Chao and Wang Baosen, vice mayors of Beijing Municipality, also joined the inspections.

Editorial Hails Ability To Overcome Disasters

HK0708092591 Hong Kong WEN WEI PO
in Chinese 3 Aug 91 p 2

[Editorial: "China Has Confidence, Capability To Overcome Natural Disasters"]

[Text] In the wake of the heavy floods in eastern and central China, China's ability to overcome these natural disasters has become a question of common concern among Chinese compatriots both at home and abroad.

A swift victory over the natural disasters, satisfactory resettlement of the disaster victims, and effective reconstruction efforts will boost the people's faith in the socialist system and further enhance the party's reputation. At the same time, it will also make possible continuing advances in China's diplomatic undertaking.

It is a well-known fact that foreign policy is an extension of domestic policy. As long as the chores in China are carried out well in order to demonstrate China's political stability and economic strengths as well as the potentials of its market, then the Western countries will naturally rush to develop diplomatic relations with China. In the last two years, it was China's rapid emergence out of the difficulties created by the political upheaval which occurred at the juncture of spring and summer of 1989, its vigorous economic growth, and foreign trade performance which broke down the West's economic sanctions, prompting the Western countries to resume high-level contacts with China and improve relations with it.

This year's flooding is the first in 100 years, with over 100 million victims and direct economic losses surpassing 40 billion yuan. While China has appealed to the international community for 200 million dollars in emergency assistance, the real battle to overcome the natural disasters, resettle the disaster victims, and resume production will have to depend on the unity and struggle of the Chinese Government and people. The officials of a certain Western power have underestimated China, adopted an "indifferent" attitude as the floods raged in China, and maintained that the disaster will not be easily overcome because of its gravity. As long as heaven offers no help, the flooding continues, and the CPC makes mistakes in the relief and rescue operations, then civil unrest and turmoil will ensue and the objective of peaceful evolution will come true. Naturally, this is just wishful thinking. The situation in China is not like that imagined by these people who gloat over the misfortunes of others. Quite the contrary, the Chinese people have demonstrated a fearless spirit and a singular cohesiveness in the relief and rescue operations.

The extraordinary natural disaster is both a challenge and a trial which tests the organizational and command capability of the CPC as well as the flexibility of the socialist republic. In recent months, people ranging from UN observers to Taiwan reporters have admitted that China's ability to cope with the disaster is rare and that the disaster victims are confident of the government's ability to help them over the hurdles. The disaster victims have displayed a resolute spirit and a confidence rarely seen in disaster victims of other countries.

It is not a coincidence that China was able to mobilize forces all over the country swiftly into the rescue and relief operations. Right after the flooding started, CPC General Secretary Jiang Zemin immediately rushed to the disaster areas, where he directed rescue operations and the work on blasting dams. Subsequently, the CPC Central Committee Political Bureau summoned a conference on rescue and relief work and conveyed the conference spirit to party and state leaders at all levels. It also gave reports and held consultations with nonparty personalities through the system of multiparty cooperation and consultation, rapidly mobilizing the entire country into the relief operations. The Hong Kong branch of the XINHUA NEWS AGENCY also quickly set up a disaster relief office to coordinate and support the flood relief activities in Hong Kong. A mass movement to donate cash and goods immediately sprang to life in Hong Kong. Today, the joint relief effort of all Chinese at home and abroad is going on with great intensity.

During his Middle East visit, State Council Premier Li Peng continued to monitor the disaster situation and upon returning to China, he immediately flew to the disaster areas where he met with leaders of three provinces and one city to discuss relief work. Later, he also held the 11th State Council Plenary Session to map out the work for the next five months and outline the five major tasks. The first is a firm grasp of the rescue and relief work and the struggle to reap a good farm harvest. The other tasks are to raise economic efficiency and

grasp foreign trade effectively. The specific team in charge of relief work was also substantiated and strengthened, with Li Tieying, Political Bureau member and state councillor, in charge with the newly created State Council leading group on disaster control and disease prevention. The situation now is: A large-scale disaster rescue and relief operation is presently going on under the leadership of the CPC Central Committee and the State Council. As it boasts a unified direction and the support of all people, it will give full play to the superiority of the socialist system and boost the effectiveness of relief work.

The Chinese Government has indicated its intention to ensure that each of the nearly 100 million disaster victims will receive 1 jin of food per day for the rest of the year until next year's summer harvest, that disaster victims will rebuild their homes, that disaster areas will be sterilized and disease-free, and that production will be resumed. On the question of feeding 100 million disaster victims, there is still no country in the world, both in the past or the present, which dares to ensure a continuing supply of food for one whole year. Only China and only a socialist China has both the ability and the vision to do this.

New Office To Trace Sources of Rumors on Leaders

*HK0708125791 Hong Kong MING PAO in Chinese
5 Aug 91 p 2*

["Special Dispatch": "CPC Sets Up Special Office To Deal Exclusively With Rumors on Leaders"]

[Text] The CPC Central Propaganda Department has set up a special office with the exclusive task of investigating the sources of overseas "rumors" about Chinese leaders. Special personnel were also sent to the Hong Kong branch of the XINHUA NEWS AGENCY to facilitate this task.

It was learned that the creation of this office was precipitated by reports in a Hong Kong magazine last year about CPC General Secretary Jiang Zemin's daughter. The magazine claimed at that time that "Jiang Zemin's daughter has come to Hong Kong to engage in business. While she holds a civil servant's passport in Hong Kong, she went into her own business after arriving here." Because the news report also mentioned simultaneously the "arrival of Premier Li Peng's brother-in-law to set up a company in Hong Kong," it provoked great anger among the CPC's top hierarchy after the report was published. Hence, the decision was made to set up a special "office" to trace the sources of such "rumors" in order to make possible prompt response.

The sources also pointed out that the "office charged with tracing rumors" has already flexed its muscles. When a newspaper in Taiwan quoted a Hong Kong magazine report claiming that "certain military officers in China had contemplated mounting a coup," the office immediately issued articles to rebuke the report and criticized the Taiwan reporter by name.

Because many of the "rumors" came from Hong Kong magazines, the aforementioned "office charged with tracing rumors" has sent special personnel to the Hong Kong branch of the XINHUA NEWS AGENCY to monitor reports in newspapers and journals.

Article Urges Cultivating Party Spirit

HK0808044591 Beijing RENMIN RIBAO in Chinese
31 Jul 91 p 5

[Article by Xiao Chengwei (5135 2052 3837): "Strengthening Cultivation of Party Spirit an Urgent Task for Party Building: Roundup of Academic Seminar on 'Central Authorities' Decision on Enhancing Party Spirit"]

[Text] The 50th anniversary of the CPC Central Committee's "Decision on Strengthening Party Spirit" fell on 1 July this year. The Liaoning journal GONGCHANDANG YUAN [COMMUNIST PARTY MEMBERS], the Information Research Center of the journal DANGJIAN WENHUI [COLLECTED DOCUMENTS ON PARTY BUILDING], and the RENMIN RIBAO Theoretical Department jointly called an academic seminar in Beijing in early June called "Central Authorities' Decision on Strengthening Party Spirit." The following sums up the main opinions at the seminar:

Form a Major Climate for Strengthening the Cultivation of Party Spirit

Comrades at the seminar believed that reviewing the central authorities' "Decision on Strengthening Party Spirit" on its 50th anniversary was highly significant. In 1941 our party was leading the people of the whole country in an extremely arduous war against Japan. At that time, to win great victories in the war, overcome various nonproletarian ideologies within the party and remedy political, organizational and ideological tendencies against the principle of party spirit, the party central authorities made the "Decision on Strengthening Party Spirit." The decision spelled out the extreme importance of strengthening party spirit, listed the specific manifestations of a lack of and violation of party spirit and put forward a series of methods of correction. This decision by the central authorities played an important role in our party's forming a unified will, unified action, and a unified discipline and in increasing the party's combat power. Over the last 50 years it has boosted the party's appeal and fostered, motivated and trained generations of Chinese communists. Although much has changed between that period and our current historical period, the document still carries important and realistic significance. Now the party is leading the people of the whole country in building socialism with Chinese characteristics. Under the new historical conditions, our party is facing three great tests, namely the test of government; the test of reform, opening up and developing commodity economy; and the test of opposing peaceful evolution. Severe tests require us to boost party spirit and further build the party properly to make it more

mature ideologically and politically and more consolidated and combative organizationally in order to ensure smooth implementation and enforcement of the party's basic line.

Some comrades listed specific manifestations of lack of party spirit or impurity of party spirit within the party: For example, liberalism on the political front. Some party members, based on their own individual or minority stands, only carry out party decisions that fit their intentions and shelve those not to their liking. Some even pursue "neutralizing policies from above with measures from below." Some party members fail to criticize, stop, and fight against behavior in violation of party principles; some even sympathize with, support or shield and protect this behavior. Another example is individualism on the ideological front. In recent years, owing to the spread of bourgeois liberalization thinking, various kinds of nonproletarian thinking, especially individualism, badly eroded the party. Corrupt bourgeois liberalization thinking, such as individualistic value concepts, worship of money, and "viewing everything in terms of money" grew unchecked in the party, seriously disrupting and impacting on the party's basic line and the implementation and enforcement of various policies. Other examples include lax discipline and a weak and disarrayed state of things within some party organizations.

Comrades at the seminar believed that the various manifestations of lack of party spirit and unhealthy party style had seriously damaged the body of the party and its cause and caused dissatisfaction among the masses inside and outside the party. In the 1989 turmoil, those engaged in bourgeois liberalization exploited the party style issue in inciting the masses. We must learn this lesson and be determined to rectify party style. Some comrades believed that impure party spirit and unhealthy party style are closely connected. The fundamental work for curing corrupt phenomena within the party must start with the effort to strengthen the party spirit of the whole body of party members, in particular party-member cadres. Comrades at the seminar suggested that now is the time to conduct universal education in the principles of party spirit, with a view to creating a major climate within the whole party, from high to low and from one end to the other, for strengthening training in party spirit. We must grasp the work of strengthening training in party spirit as a long-term important mission and as part of the effort to strengthen party building.

The Core of Strengthening Party Spirit Lies in Resolving the Problem of One's Own Stand and World Outlook

Comrades at the seminar believed that party spirit comes from, and is in fact the highest representation of, class spirit. The party spirit of communists represents in the highest and most concentrated form the proletarian class spirit. For a communist, the core problem in strengthening the cultivation of party spirit is to resolve the problem of his own stand and world outlook. Every communist observes and handles problems from the

standpoint of the working class and the masses of the people and party spirit and party policy.

Some comrades proposed that given the party's historical mission in the new era and the present state of the party-member force, strengthening the cultivation of party spirit should lay stress on the following aspects:

1. A firm faith in communism. A firm belief that socialism will replace capitalism and that no force can stop this. The firmness of this belief is the ultimate mark of the relative strength of party spirit. The party is now leading the people in building socialism with Chinese characteristics. Communists must unify grand-vision ideals with the goals they strive for in real life, and self-consciously and actively strive for the implementation of the party's basic line.

2. The necessity of establishing the concept of wholeheartedly serving the people. Wholeheartedly serving the people is the party's basic principle. Serving the people will forever be a constant feature in the cultivation of party spirit. It is a very important yardstick for measuring party members' party spirit. Communists must establish a firm Marxist and people's viewpoint, fully trust the masses, and maintain close ties with them and show concern for their sufferings. Communists must set right the relationships between individual interests and those of the collective and the state, and firmly maintain that the people's interests reign supreme and individual interests must obey unconditionally those of the party and people. In discharging their duties, communists must be diligent, bear burdens and criticism without complaint, and selflessly devote everything they have to the revolutionary cause.

3. A strong sense of principle. The party will not permit any acts that harm its interests and principles or violate its line and resolutions. Therefore, all communists, particularly leading party-member cadres, must maintain an open, clear-cut and firm stand on this question, and resist and oppose with a strong sense of principle various kinds of thinking and behavior that deviate from the party line and party resolutions.

4. Self-conscious observance of discipline. Our party is a single body unified and organized on the principle of democratic centralism and based on the party program and codes. The party line and the enforcement of resolutions depend on the party's organizational consolidation and uniformity of action. Communists must conscientiously enforce the party's principle of democratic centralism, observe party discipline, and correct situations where organization is slack, discipline is lax, orders are not enforced and bans are defied. Every party member should continually strengthen self-consciousness in observing party discipline.

Strengthening the Cultivation of Party Spirit Is a Lifelong and Mandatory Course for Communists

How do we strengthen the cultivation of party spirit? Comrades at the seminar discussed this question with

enthusiasm. They believed that we must first study hard Marxism-Leninism-Mao Zedong Thought, which has a decisive significance for establishing a proletarian world outlook. Communists have no choice but to continually raise their theoretical levels in Marxism-Leninism. Only then will they be able to transform the objective world as well as their own subjective world. If they do not arm their brains with Marxist-Leninist theory, they cannot possibly analyze and solve problems with a correct standpoint, viewpoint and method, and therefore with a genuine party spirit. More importantly, the study of Marxist-Leninist theory must be combined with practice; in this way party spirit will be continually strengthened. Only through firsthand practice can what is gleaned from books be digested and become one's own, can theory be correctly applied to real life, and can work be done properly.

Comrades at the seminar believed that training in party spirit is a long-term mission. Because the establishment of a proletarian world outlook is a long training process, with occasionally painful ideological struggle, training in party spirit, for a communist, must therefore be an ongoing process in the long-term revolutionary struggle. Even comrades with relatively long years of revolutionary participation must continue to receive new, more severe tests under new historical conditions. The cultivation of party spirit cannot be achieved in one go, but is a lifelong mandatory course for communists. As long as we live, we must always be learning, transforming ourselves and strengthening party spirit; and we will still be doing these things even in our ripe old age.

Enterprises Improve Ideological-Political Work

OW0708214291 Beijing XINHUA Domestic Service in Chinese 0315 GMT 7 Aug 91

[By reporter Wu Shishen (0702 1102 3234)]

[Text] Beijing, 7 Aug (XINHUA)—This reporter has learned from the central department concerned that enterprises in our country have made earnest efforts to gear up and improve their ideological and political work since the Fourth Plenary Session of the 13th CPC Central Committee. As a result, ideological and political work in enterprises has taken a turn for the better. The problem of "laxity on the one hand and hard work on the other" has been corrected to a great extent. This has had a significant effect on promoting political stability and economic development.

Ideological and political work represents a great political superiority created by our party through its long revolutionary struggle. It is also a major part of the work of building socialism with Chinese characteristics. Since the Fourth Plenary Session of the 13th CPC Central Committee, a series of correct policy decisions and measures have been adopted by the party Central Committee to strengthen leadership and guidance for ideological and political work in enterprises and to once again "straighten the status and define the position" of

this work. As a result, ideological and political work has received the attention of the whole party and the entire society. Upholding the principle of "building the two civilizations simultaneously" and focusing on arousing to the fullest the initiative of the broad masses of staff members and workers as the main task, enterprises have carried out diverse forms of ideological and political work and made certain progress in doing so. In enterprises, party organizations have undertaken the responsibility for leading ideological and political work. Political work organs in enterprises have been further improved, and efforts have been constantly geared up to strengthen the political work contingent. The administrative leadership of enterprises has put into practice a "one post with dual responsibility" [yi gang liang ze 0001 1511 0357 6307] system and paid attention to bringing into full play the active role of cadres, party members, Communist Youth League members, labor models, and veteran workers. A gratifying scene with "everyone paying attention to the work and taking care of it" has appeared, and an ideological and political work force composed of both full-time and part-time members has taken shape. Many big enterprises have installed political workers, propagandists, reporters, and storytellers in various grass-roots units and work shifts. The state of affairs where ideological and political work is "vigorous at the top, moderate in the middle, and cool at low levels" is being gradually changed. In particular, education about our fundamental national conditions and the party's basic line has been conducted on a wide scale. About 40 percent of the nation's staff members and workers have taken part in rotational training, which has increased their sense of responsibility as masters of their own affairs. Now, 400 enterprises have become enterprises noted in the country for their outstanding political work, and some 200 political work cadres have won the title of outstanding national workers doing ideological and political work in enterprises.

It is reported that at present our country has formed a fairly sizable full-time contingent to do theoretical research on ideological and political work, and the results of their research are ever-increasing. The China Staff and Worker Ideological and Political Work Research Society, founded some eight years ago, has formed extensive vertical and horizontal networks, functioning as a significant organization and channel for guiding and studying ideological and political work and training workers in this regard. A number of special works, theses, television films, and audio and video products of high academic standards dealing with ideological and political work in enterprises have appeared and are producing fairly good effects on society. At present, there are more than 20 periodicals in our country dealing with ideological and political work. The magazine "SIXIANG ZHENGZHI GONGZUO YANGJIU" [1835 1927 2398 3112 1562 0155 4282 4496], the title of which was inscribed by Comrade Deng Xiaoping, has functioned as a major theoretical front. Moreover, the work of reassessing the job titles of

political workers is being fully carried out. The science of ideological and political work has been recognized by more and more people.

Under the macro background of reform and opening to the outside world, efforts have been made to adapt ideological and political work in enterprises to changes in the situation. Energetic efforts have also been made to explore new experiences and methods characteristic of our times on the basis of inheriting and carrying forward the fine tradition of the party. Lecture meetings, report meetings, knowledge contests, heart-to-heart talks, large-scale discussions, and reading campaigns on one subject or another have been held on an extensive scale in enterprises. Some enterprises have taken the sentiment of the masses as the "primary signal." In view of the hot ideological issues as well as doubts in the minds of the masses, they have done in-depth and meticulous ideological work to soothe the feelings of their staff members and workers and to harmonize all relations, thus arousing the initiative of staff members and workers. In particular, "respecting and understanding others and being concerned about others" has become a basic principle for ideological and political work widely accepted and followed by enterprises. In the meantime, fairly big changes have appeared in the details and forms of ideological and political work in enterprises. The practice of simple, rigid, and empty discourse is being replaced gradually by a new vivid and lively style which puts stress on actual work results. A new trend that has developed is that the method that "you listen to what I say, and I punish you so that you will learn and understand" has been replaced by a combination of direct instillation and self-education of staff members and workers. Over the last two years, more than 120 cadres in our country have won the "BAN YUE TAN" award for innovative ideological and political work.

In recent years, ideological and political work in enterprises has fully displayed its role as a cohesive force, a centripetal force, and a "lubricant," and has served the purpose of economic construction, reform, and opening to the outside world. Based on their actual situation, many enterprises have created and cultivated their "enterprise spirit," each with its own unique feature. The belief that "I will prosper if the factory thrives, I will feel ashamed if factory work declines, I will gain something if the factory is rich, and I will have nothing if the factory is poor" has become the main melody of the action taken by the staff members and workers of enterprises. As long as morale is not declining, there are always more methods than difficulties. Despite the economic predicament during the last two years, a number of enterprises have used their enterprise spirit in guiding their staff members and workers to struggle hard and overcome difficulties so as to triumph. The Jilin Chemical Industry Corporation has encouraged its staff and workers to develop the "Jilin Chemical Industry Corporation spirit" characterized mainly by advance, solid work, and dedication. This has beefed up the enterprise's cohesive force and appeal. The management and the work quality and efficiency of its factories

have all remained at the top level within the country. The Wuhan Iron and Steel Company has made all-out efforts to promote the awareness of its staff and workers as masters of their own affairs and mobilized them to launch campaigns to offer proposals for rationalization and to solve key technology problems. During the past five years, staff and workers of this company have made 84,000 proposals for rationalization, resulting in additional economic returns in the amount of 246 million yuan. Strong ideological and political work is a motive and guaranteeing force for economic work, which cannot be dispensed with for a moment—this has become the common understanding of more and more people. Meanwhile, it remains a very arduous task to make ideological and political work more solid, intensive, and lively so as to better meet the needs of deepening enterprise reform and promoting production and construction.

Military

Yan Mingfu, Others Visit Army Units in Xinjiang

OW0808042291 Urumqi Xinjiang Television Network
in Mandarin 1555 GMT 7 Aug 91

[From the "Xinjiang News" program]

[Excerpt] This morning, a number of people visited a certain military division and artillery unit stationed in Xinjiang. They were: Vice Minister of Civil Affairs Yan Mingfu and Deputy Director of the General Political Department Yu Yongbo, who attended the regional meeting on the work of supporting the Army and giving preferential treatment to families of revolutionary martyrs and servicemen, and supporting the government and cherishing the people [the two supports]; Cao Pengsheng, political commissar of the Lanzhou Military Region; Zheng Baosen and (Jiang Jinqiang), respectively political commissar of the Air Force and deputy director of the political department of the Lanzhou Military Region; and regional party, government, and military leaders, including Song Hanliang, Tomur Dawamat, Jin Yunhui, Zhou Guofu, Gao Huangchang, Tang Guangcai, Aibodula Tiejifu, along with participants to the regional meeting on the two supports. They were warmly received by the officers and men and local people. [video opens with shots of Yan Mingfu, Song Hanliang, Tomur Dawamat, followed closely by Yu Yongbo and military leaders in uniform, clapping and walking along a street lined with people]

This Army division stationed in Xinjiang possesses a glorious revolutionary tradition. In the past 12 years, it has inherited the fine tradition of our Army, actively taken initiative to perform various tasks, and contributed much to promoting political stability, social development, and economic prosperity in the autonomous region. A total of 75 grass-roots units and 135 individuals have been honored as advanced units and individuals of the two models [in support of the government and cherishing the people] by a local government, the military region, and the autonomous region. The leading comrades watched with interest an

exhibition, videotape show, and a performance staged by the fighters. Vice Minister of Civil Affairs Yan Mingfu spoke briefly at the gathering.

At 1200, the representatives arrived at an artillery unit stationed in Xinjiang. They were ceremoniously and warmly welcomed by officers and men and the local people. [video shows Song Hanliang, Tomur Dawamat, Yan Mingfu, and military leaders shaking hands with people]

(Tian Xiushi), political commissar of the unit, first briefed the leaders and delegates concerning its work on the two supports, projects jointly carried out by soldiers and the people, and the situation of nationality unity. The locality where this unit is stationed is home to people of various nationalities, including the Kazak and the Uygur. Over the years, the unit has carried out various projects, and established close ties and friendship with the people of various nationalities. It has been commended a number of times by the autonomous region and the military region, and honored as advanced unit of nationality unity in 1990. [passage omitted]

Analysis of Army 'De-Ideologization' Theme

HK0708015891 Beijing RENMIN RIBAO in Chinese
29 Jul 91 p 5

[Article by Zhou Changcheng (0719 7022 1004), director of the Propaganda Department of the Academy of Military Sciences: "Crucial Point of 'De-Ideologization' Is Abolition of Party's Absolute Leadership Over Army"]

[Text] Some years ago, when the trend toward bourgeois liberation thinking was rampant, some "elite" did their utmost to preach the "de-ideologization of the Army." What was their aim? It is necessary to reanalyze and reunderstand this issue.

"De-ideologization of the Army" is not something new. Indiscriminately copied from abroad, it is a poisonous arrow shot at socialist states. The fact that some people in China who are clinging to bourgeois liberalization highly praise and utilize it shows that they and the international reactionary forces are of the same breed. To put it bluntly, their purpose is to cast away socialist ideology, which takes the communist world outlook as its core, abolish the guiding position of Marxism, and liquidate the party's absolute leadership over the Army.

"De-ideologization of the Army" is aimed at abolishing the guiding position of Marxism in Army building. In exercising its basic functions to consolidate national defense and defend the motherland and the people's peaceful labor, participating in struggle in the ideological field, and stepping up its own building, our Army cannot do without the guidance of Marxism. A distinct feature of "de-ideologization" is to set "science" against ideology and negate the scientific and revolutionary characters of Marxism. As is well known, Marxism not only reflects in a concentrated way the fundamental interests of the proletariat but is also an integrated, well-organized

theoretical system. A fundamental reason why its revolutionary and scientific characters are highly unified is that its theoretical contents accurately reflect the objective law governing social development and the direction of advance. The proletarian political party and the Army under the leadership of such a party, therefore, cannot do without the guidance of this advanced theory. Unlike any previous ideological systems, Marxism, as a branch of learning that is constantly developing, does not consider itself the ultimate truth and thus turns itself into a rigid "official ideology." To abolish the guiding position of Marxism in our Army building, those engaging in bourgeois liberalization slander Marxism as a rigid "official ideology." Seemingly impartial, they in fact have taken the bourgeois stand in a vain attempt to abolish the guiding position of Marxism in China's undertakings, including Army building, and make our Army go without the guidance of scientific theory in its Army building, lose its way in the course of struggle, and forfeit its combat effectiveness.

Another purpose in putting forward the idea of "de-ideologization of the Army" is to deny the essence of the Army as an instrument of political struggle and to deny the internal function of the Army. On the pretext that the Western armies are not involved in factional struggle in the ideological and other fields, the "elite" engaging in bourgeois liberalization clamor that the Army should be "neutral." In fact, a person with a discerning eye can easily see through their trick. People must still remember that, just as they put forward the idea to "de-ideologize the Army," they wantonly cried for the institution of "political pluralism" and "multi-party system," and launched turmoils and rebellions. Instead of "neutralizing" the Army, their actual aim was make the Army claim "independence" from the party so that, when they launched an attack, the Army would not take orders and would even become their instrument to engage in turmoil and rebellion. An argument they raised is that "the Army's function is to resist foreign aggression." They deny the two functions of our Army. It is stipulated in our country's Constitution that the tasks of the PRC Armed Forces are to strengthen defense, resist aggression, defend the motherland, safeguard the people's peaceful labor, participate in national reconstruction, and work hard to serve the people. Both the external and internal functions of our Army have thus been laid down. Those engaging in bourgeois liberalization separate the Army's external function from its internal one, set one against the other, and deny the Army's internal function. This has exposed their sinister intentions to subvert the socialist republic.

In the final analysis, the crucial point of the "de-ideologization of the Army" is to turn our Army away from the proletariat politically, thoroughly change its proletarian nature, and negate the party's absolute leadership over the Army. Those engaging in bourgeois liberalization openly put forward the idea of "abolishing party organizations in the Army," separating party from the Army, and separating the Army from ideological

struggle. Their logic is that by separating the Army from the party, politics, and ideology, the Army can now belong to the state, as if they could turn it into something transcending class as soon as it belongs to the state. They set the Army against the state and set the Army against the party to negate the party's absolute leadership over the Army. This in itself runs counter to the Marxist basic concept on state theory. According to Marxism, a state is the outcome of irreconcilable class contradiction, and political parties are the supreme form of state apparatus, while the Army is the principal element of state apparatus, is subservient to a certain class and its political party, and serves its program and line. It is therefore absolutely impossible for any Army in the world to be "de-ideologized." That is to say, the Army, as a result of the state's political form, cannot be outside the influence of the state's ideological form under any circumstances. An Army transcending classes does not exist. In such a socialist state as ours, there is a natural, internal, united relationship between political parties and the state and between political parties and the Army. The party is the representative of the working class and the Army is set up by the party to achieve the historical mission of the working class. Since its establishment, our Army has worked to realize the party's program and line. The party's absolute leadership over the Army is a fundamental principle in Army building and is a reliable guarantee that the Army is always politically qualified. An Army under the leadership of the party, therefore, is identical to an Army under the leadership of the state, and it is inevitable that the Army should participate in ideological struggle. We should never set one against the other. The intentions of those who negate and liquidate the party's absolute leadership over the Army on the pretext of placing the Army under the leadership of the state are vicious and they will never succeed.

Work of Army Party Committee Praised

HK0808063191 Beijing RENMIN RIBAO in Chinese
30 Jul 91 p 3

[Article by XINHUA reporter Chen Hui (7115 6540), XINHUA correspondent Li Huamin (2621 0553 3046), and RENMIN RIBAO reporter Luo Tongsong (5012 0681 2646): "Doing Credit to Army of Republic: Notes on Party Committee of Certain Group Army Under Beijing Military Region"]

[Text] A group army under the Beijing Military Region has achieved remarkable successes in revolutionization, modernization, and regularization in recent years, bringing more credit to the Army of the Republic.

The most fundamental reason for their achievements is that the army party committee has been carrying out the line, principles, and policies of the CPC Central Committee and Central Military Commission unswervingly. As army commander Zang Wenqing [5258 2429 3237] put it, "the whole army heeds the party's call and follows the party's guidance in all it does."

"We Do Whatever Party Tells Us To Do"

"A party committee at our level should firmly believe in the voice of the CPC Central Committee and the Central Military Commission in ideology, and staunchly implement it in practice. We should do whatever the party tells us to do." This is a guiding principle consistently upheld by the party committee of the group army.

A few years ago, some people in society at large advocated abolishing the party's leadership over the army. The group army party committee firmly acting in the spirit of the "Resolution on Political Work in the New Era" and "Notes on Army-Wide Political Work Meeting" of the Central Military Commission, resisted the attack from the ideological trend of bourgeois liberalization, made energetic efforts to strengthen the political building of the army, and ensured the everlasting political competence of the army. The group army conducted education on the party's absolute leadership over the army, systematic education on upholding the party's basic line, and education on consolidating conviction in socialism. As a result, cadres and soldiers were able to make a clear distinction between right and wrong ideologically. Under the leadership of the group army party committee, all officers and men are of one heart and one mind, and stand together through thick and thin with the CPC Central Committee. The tens of thousands of officers and men of the group army have been highly in keeping with the CPC Central Committee at all times.

Zhang Qiuxiang [1728 4428 4382], Political Commissar of the group army once said: "In implementing the instructions of the party Central Committee and Central Military Commission, the contradiction between departmental interests and overall interests is sometimes inevitable. But we firmly obey whatever is decided by the party Central Committee and Central Military Commission and refrain from taking "countermeasures toward policies laid down by higher authorities."

After the army was streamlined and reorganized in 1985, the Central Military Commission put forward the principle of giving way to the overall construction drive of the country and practicing "perseverance and austerity" in the army. When it reached army units, the instruction caused some psychological disturbance among officers and men alike. The discussion among them arrested the attention of the leading team of the group army party committee. The party committee meeting went on for days and first they reached unanimity among themselves: We must do whatever the Military Commission tells us to do and must not be vague about it. The army party committee made a decision to educate cadres and men to be of one heart and one mind with the party, understand the difficulties of the state, subordinate themselves to the overall construction drive of the country, and implement the Military Commission's principles with full confidence. They called on cadres and men alike to "stand on their own feet, work hard, make energetic efforts to develop agricultural and sideline production, reduce the burden on the state, and

make up for deficiencies in military expenditure." They got themselves down from their high horse, walked out of their offices, and led the cadres and men of the group army to do practical work with painstaking efforts.

Six years have passed and the agricultural and sideline production of the group army has achieved great successes. They put 80 percent of their production profit into subsidies for army building. The principle of the Central Military Commission has indeed been substantially carried out.

As for the party's instructions, they should firmly implement what they understand, and steadfastly obey in their actions what they fail to understand for the time being. A unit of this group army used to be stationed in Beijing for a long time. When the unit was being reorganized, the Central Military Commission ordered that they be transferred to a place with harsh conditions. Some cadres could not accept it psychologically. The group army party committee members immediately went to this unit and educated them to take the overall situation into consideration, subordinate personal interests to the interests of the party, and firmly carry out orders. When the transfer took place, this unit arrived in the designated region on time and smoothly went through all transfer procedures, winning favorable comments from the unit which received them, and the Beijing Military Region circulated a notice of commendation on them.

Party Instructions Should Not Be Implemented Automatically

One day, the conference room of the group army party committee was brightly lit and committee members were reading the "Program for Grass-Roots Army Building" promulgated by the Military Commission.

At the discussion, those attending the meeting said the "Program" laid down clear requirements for grass-roots building and we must firmly implement it. They decided to formulate detailed regulations for implementation according to the actual conditions of the group army, experiment with some units, find a way, and then popularize it.

Each member of the party committee took a work team to carry out investigations and research at the grass-roots level, listen to opinions extensively, experiment, and sum up a set of detailed regulations that are simple and easy to implement for examination and assessment, so that the "Program" was carried out in a speedy and effective way in all grass-roots units of the group army. That year, half of all the companies reached prescribed standards and the General Political Department spread their experience to the whole army.

In implementing the broad policies and principles of the party Central Committee and Central Military Commission, this group army has always put effort in creativity and paid attention to four links: The first is a thorough understanding of "both ends." Efforts should be made to understand instructions from higher authorities on the one

hand, and the realities of the units on the other, and to make concrete the proposals, methods, and measures to be implemented so that they are close to the grass-roots and easy to carry out. The second is to proceed from a point to a plane. When conditions allow, what is instructed by the Central Military Commission should be experimented with first in a few units, and the experience so obtained will then be disseminated to all units. The third is classified guidance. In the course of implementation, different methods are used and different requirements are raised for different types of troops. The fourth is longitudinal examination. It is necessary, in the course of implementation, to go deep into practice, discover problems in time, and solve them promptly.

It is for this reason that this group army has, over the years, innovatively formulated measures and methods for implementing the "Notes on Army-Wide Political Work Meeting" and the Central Military Commission-promulgated "Common Regulations" and "Regulations on Equipment Management" that conform to the realities of the group army, ensuring the implementation of the principles and policies of the CPC Central Committee and Central Military Commission.

Substantial Implementation of Party Instructions Without Superficiality

A comrade in the group army party committee said: "Emptiness," "falsehood," and "deviation" are the three stumbling blocks for the implementation of the general policies and principles of the party Central Committee and the Central Military Commission. For many years, the group army has been tackling "emptiness," "falsehood," and "deviation" in a bold way and has never tried to cover up contradictions or do things on the surface. They are thorough in redressing "emptiness," spare nobody's sensibilities in checking "falsehood," and are resolute in rectifying "deviation." When investigating grass-roots units in 1987, the group army party committee discovered two cases of fraud. One unit won a prize in military exercises by putting top soldiers together. Another unit took first place in a sports meet by borrowing athletes from nonmilitary organizations. Though both cases had taken a year previously, the group army party committee annulled their titles and withdrew their trophy flags and cups without showing any mercy, and circulated a notice of criticism around the whole group army.

The cultural life of the group army at the grass-roots level used to be relatively monotonous. After the financial situation turned for the better, the group army party committee called on all units to develop cultural facilities and enrich the life of camps. However, some units misinterpreted the spirit of the higher authorities and purchased a batch of expensive equipment and materials for entertainment that were not suitable for soldiers. After the group army party committee became aware of this problem, they pointed out, in good time, that the improvement of army's cultural life should proceed from realities and according to the army's capabilities. They

organized a work team to inspect companies one by one to make sure that this instruction was followed. This way, cultural and entertainment facilities at the grass-roots level became more characteristic of the camps, and more to the taste of soldiers.

"Down-to-earth style and solid work" are the code of this group army party committee. As they put it, the implementation of the general policies and principles of the party Central Committee and Central Military Commission at the grass-roots level is a protracted, strenuous, and meticulous job and will not show results unless a spirit of perseverance and thoroughness is put into it.

During the six years since the streamlining and reorganization in 1985, the group army party committee has been reshuffled three times. Leaders on different terms have all plunged themselves into practical work in accordance with the spirit of the Central Military Commission's instruction for energetic efforts in strengthening grass-roots building and centering around weak the links of the army. Every year, they spent one-third of their time living in grass-roots units. Some fell ill from fatigue but did not stop to take a rest; some could not spare the time to attend to their hospitalized relatives. They went to, were concerned with, put their energies into, and spent money on, grass-roots units, giving rise to tremendous changes at the grass-roots level and enhancing their overall quality.

The year before last, the higher authorities assigned this group army the task of war exercises, under sweltering weather conditions, for the northern forces. The group army party committee members, braving the scorching heat of over 30 degrees Celsius, went to the scene to make painstaking efforts in organization and command, participated in the drills together with ordinary officers and men, and acquitted themselves splendidly, winning praise from headquarters. Over the years, as they devoted themselves heart and soul to leading the troops in down-to-earth work, they have scored excellent achievements in the examinations organized by headquarters and the military region.

Development of Strategic Missile Force Outlined

HK0308072691 Hong Kong ZHONGGUO TONGXUN SHE in English 0508 GMT 3 Aug 91

["China's Missile Force Now in its Third Decade"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, August 3 (HKCNA)—China is equipped with a strategic missile force which includes middle-range missiles, long-range missiles, intercontinental ballistic missiles and tactical missiles for air and sea defence, as well as all necessary ancillary equipment.

This strategic missile force, though set up in the 50's, was not made public until the holding of a large-scale military review celebrating the 35th anniversary of the founding of New China on October 1, 1984.

The missile force, formerly described as the "second artillery force", has successfully test fired thousands of different missiles over the past three decades with a success rate of one hundred percent.

Missile research started in China in the mid-50's. The research institute specializing in the study of missiles was set up in October, 1956. In November, 1964, the Chinese Government set up a special department to handle and organize all research and production of strategic and large-sized missiles. This department also developed a carrier rocket and created China's space industry. The first successful nuclear warhead missile test was carried out in October, 1966 and in October, 1982, China had its first successful trial of an intercontinental ballistic missile in the Pacific Ocean.

Research on tactical missiles was initially based on information provided by the Soviet Union. The T-2 ground-to-ground missile, the No. 1 "Red Flag" ground-to-air missile, the No. 1 and No. 2 "Thunderbolt" air-to-air missile and the No. 1 "Upper Reach" warship-to-warship missile were successfully produced based on similar types in the Soviet Union's armoury. Some of the missiles were put into mass production laying the foundation for China's tactical missile industry.

In recent years, a research development centre for air-to-air missiles has been set up in China to concentrate manpower and resources on the study and production of this type of missile. Sea defence missiles have also been listed as a key research item in recent years and various models of air and sea defence missiles are now being successfully produced.

Guizhou Secretary Addresses Two-Support Meeting

HK0308071091 Guiyang Guizhou People's Radio Network in Mandarin 2200 GMT 29 Jul 91

[Excerpts] A provincial meeting jointly held by the provincial CPC Committee, government, and military district to name and commend advanced units in supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs, and in supporting the government and cherishing the people was solemnly held yesterday afternoon in the provincial government auditorium. Governor Wang Chaowen presided over the meeting. Those who attended the meeting included Fan Baojun, vice minister of civil affairs; Lieutenant General Zhou Wenyuan, deputy director of the People's Liberation Army [PLA] General Political Department; and Lieutenant General Wang Yongning, deputy political Commissar of the Chengdu Military Region. They delivered enthusiastic speeches at the meeting.

Provincial party, government, and military leaders Liu Zhengwei, Long Zhiyi, Su Gang, Zhang Yuhuan, Liu Cunxin, Zhang Shukui, Hu Kehui, Liu Hanzhen, (Wang Siqu), (Yan Renhui), Zhu Qi, Yu Zhonggui, (He Renzheng), Wang Zhenjiang, Liang Wanggui, Luo Shangcai,

Zhang Yuqin, Gong Xianrong, Wang Anze, (Sun Liming), and (Deng Guoyong) were also present at the meeting. [passage omitted]

Provincial party Secretary Liu Zhengwei and Vice Governor Zhang Yuqin delivered important speeches on further doing two-support work in our province well. In their speeches, they stressed: Supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs and supporting the government and cherishing the people is a fine tradition of our party, government, and Army, as well as people of various nationalities. In recent years, soldiers and civilians in our province have been actively exploring a new way for the two-support work under the new situation with a spirit of reform. They have achieved many new experiences. There has been a new development in two-support work in terms of contents and forms. Their concept of the two supports has been increasingly strengthened, and new typical and advanced examples in two support have been constantly coming to the fore. All this has forged closer links between the Army and government, between soldiers and civilians, between police and government, and between policemen and civilians. It has also forcefully promoted modernization of our Army and local economic construction. In particular, in the present struggle of combating floods, soldiers and civilians of the whole province have scored a victory of uniting as one and struggling courageously. Wherever there is danger, the PLA fighters, armed police force members, reserve forces, and people's militia always appear. In places where disaster conditions are serious, there are moving scenes of unity between soldiers and civilians who are struggling hard. The disaster-resistance drive has demonstrated the great strength of Army-civilian unity, and special relations between soldiers and civilians, which are as well blended as milk and water, and as close as flesh and blood.

In their speeches, they hoped that governments at all levels would, as always, show concern and support the building of the Army, and regard this as their unshirkable duty. They should do more good turns, and practical work for the building of the Army, so that a good common practice of everyone showing concern for and supporting the building of the Army would prevail. We should firmly foster an idea that without the Army, there will be no stability, and that without soldiers, there will be no security. We should strengthen the concept of national defense of the entire people. We should do well the work of giving preferential treatment to families of revolutionary soldiers and martyrs, and making proper arrangements for them in accordance with the law.

In the course of promoting its own building well, the Army should take the initiative of performing dangerous, difficult, and heavy tasks. It should carry out the activities of jointly promoting the building of both material and spiritual civilizations by the Army and civilians, and supporting the impoverished and helping

households in difficulty. It should actively support local economic construction to make its due contribution to invigorating Guizhou.

Guangxi Secretary Extends Greetings to Troops

HK0108130291 Nanning Guangxi People's Radio
Network in Mandarin 1030 GMT 30 Jul 91

[Text] This morning, regional party and government leaders, including Comrades Zhao Fulin, Cheng Kejie, Liu Mingzu, Ding Tingmao, Lin Chaoqun, Long Chuan, and others, went to extend greetings and appreciation to officers and men of the Guangxi Regional Military District, the locally stationed Air Force units, and the locally stationed Armed Police units.

The regional leaders also held talks with the leaders of all locally stationed troops, passed on concern to all locally stationed troops on behalf of the people of all nationalities across the region, and expressed the hope that all locally stationed troops will make greater contributions to Guangxi's reform, opening up, and four-modernization building.

Regional party committee Secretary Zhao Fulin, Cheng Kejie, regional party committee deputy secretary and regional people's government chairman, and other comrades delivered speeches during the talks. On behalf of the regional party committee and government, they extended festival greetings to all officers and men of the locally stationed troops. They pointed out: The first half of this year witnessed a relatively good situation in regional industrial and agricultural production, regional social stability, and stability among the people because we implemented the spirit of the Seventh Plenary Session of the 13th CPC Central Committee as well as the party's principles and policies, organized the people of all nationalities across the region to work hard, and received unreserved support from the locally stationed troops. In the future, we must further strengthen unity between Army and government as well as unity between Army and people and make redoubled efforts to change the face of Guangxi.

In their speeches delivered during the talks, the leaders of the Guangxi Regional Military District, the locally stationed Air Force units, and the locally stationed Armed Police units first expressed thanks to the regional party and government leaders as well as the people of all nationalities across the region for their unreserved support to army-building work and pledged to further push ahead with the troops' revolutionization, modernization, and standardization building, further strengthen unity between Army and people, and join hands with the local people in successfully defending and building Guangxi.

Economic & Agricultural

Jiang Zemin Inscribes New Economics Book

OW0708001591 Shanghai JIEFANG RIBAO
in Chinese 3 Aug 91 p 1

[By reporter Jiang Xiaoling (1203 1420 3781)]

[Text] *China in 1991—The Year of Quality, Variety, and Efficiency*—the first book calling on manufacturers nationwide to produce a larger variety of goods of better quality and yield higher economic efficiency—has been published by the Science Publishing House. The book made its debut at a meeting in Shanghai yesterday afternoon.

Jiang Zemin, general secretary of the CPC Central Committee, wrote this message for the book: Quality first—this is a longstanding strategic principle for economic construction in China.

The book is a collection of speeches and articles concerning product quality, variety, and economic returns, written by Jiang Zemin, Li Peng, Bo Yibo, and other leading comrades; documents issued by the State Council and other relevant departments and committees; and dissertations written by experts and scholars; as well as articles about experiences gained by nearly 50 enterprises in the country about how they achieved higher economic returns through producing products of good quality. With a total wordage of some 470,000 characters, the book contains large amounts of information and so is a very practical book. It is also a book designated to be read by contestants who will take part in the national tournament to test their knowledge about the Year of Quality, Variety, and Efficiency.

Li Guixian Inspects Heihe Construction Sites

SK0708064991 Harbin Heilongjiang People's Radio
Network in Mandarin 0900 GMT 5 Aug 91

[Text] Li Guixian, councillor of the State Council and president of the People's Bank of China, who was accompanied by Shao Qihui, governor of the province, and Du Xianzhong, vice governor of the province, made an inspection tour from 31 July to 4 August in Heihe Prefecture.

During his inspection tour in the prefecture, Li Guixian looked into the construction sites of the Heihe international building and the Heihe border trade exhibition hall and also held a forum with the presidents of six banks in the prefecture to learn about the prefecture's situation this year in deposits, credits, and grain purchases. On the afternoon of 3 August, Li Guixian was briefed by (He Yonglin), commissioner of the Heihe prefectural administrative office, on the prefecture's work of making agriculture and trade flourish and of conducting development and construction. He expressed satisfaction with the development achieved by Heihe Prefecture over the past few years and stated that the opening policy undertaken by border cities is aimed at

introducing funds and technologies and that Heihe Prefecture should bring into full play its strong points of low prices in labor forces and raw materials and extensively carry out economic and technical cooperation with the Soviet Union.

Planning Official Comments on Key Projects

OW0708001691 Beijing XINHUA Domestic Service
in Chinese 0414 GMT 6 Aug 91

[By RENMIN RIBAO reporter Lu Mu (7627 3668), and XINHUA reporter Xu Yaozhong (1776 5069 0022)]

[Text] Shanghai, 6 August (XINHUA)—Key construction projects for the Eighth Five-Year Plan period are an important part of the state's Eighth Five-Year Plan and the 10-Year Economic and Social Development Program. How have these projects been carried out? With this question in mind, we recently interviewed Chen Guangjian, vice minister in charge of the State Planning Commission, who is chairman of the National Conference of Key Construction Projects being held here in Shanghai.

Outlining the state's key construction projects for the Eighth Five-Year Plan period, the vice minister in charge of capital construction said: Like the 156 key projects of the First Five-Year Plan, the Eighth Five-Year Plan should also have a large number of key construction projects, particularly those concerning the development of energy resources, communications and transportation, electronics industry, defense industry, petrochemical industry, chemical industry, and production of important raw and semi-finished materials. Meanwhile, in order to ensure the achievement of the second-step strategic objective, special emphasis must be placed on harnessing large rivers and building some large water conservation projects.

The vice minister said that since last year the State Planning Commission has sent a large number of cadres to various parts of the country to investigate implementation of the Eighth Five-Year Plan and the 10-Year Program and hear views on their implementation. When they investigated the progress of key projects and audited the use of construction funds, they found that although most regions and departments attached great importance to the projects and were very successful in supervising their progress, some regions and departments were not so effective and their supervision was laden with problems. Their management was chaotic, and financial losses and waste were quite serious. Some units in charge of construction and design made it a common practice to profiteer from the projects. Some departments, local authorities, and even banks also demanded money, automobiles, or office buildings. Some projects started hastily without being properly planned, some expenditures were falsified or overestimated, and some projects were expanded or upgraded without authorization. These problems show that certain comrades, especially those in leading positions, did not fully understand the

roles and significance of key projects. These problems, if not solved, will hinder the accomplishment of key projects of the Eighth Five-Year Plan.

Chen Guangjian said: Key construction projects play a decisive role in China's economic development and modernization, and they are essential for building up the capacity for the nation's future economic development. The vice minister explained: These key construction projects have amassed a large amount of the latest equipment and technology, and they have a fairly large production capacity. The work we have accomplished since the founding of New China over 40 years ago shows that the large numbers of key projects completed and commissioned to production serve as the key production bases and suppliers of energy, raw and semifinished materials, and consumer goods, as well as providers of communications and transportation services. Thus, we should consider key construction projects as indicators of our country's economic strength, the means needed for improving the people's livelihood, and the collective embodiment of our country's economic prowess. In order to pool our resources for developing production and boost the national economic development at the present stage, one important requirement is to make sure that our key construction projects are properly carried out.

How should investment and construction projects in the Eighth Five-Year Plan be carried out? The vice minister of the State Planning Commission expressed his views as follows:

First of all, projects should be planned in such a way that their implementation is in line with our capabilities. Emphasis should be placed on priority projects. By no means should all projects be carried out at the same time. Acting in accordance with our capabilities is an important guideline for our capital construction, and this guideline must also be followed, only more closely, when we proceed with key construction projects. We should not merely consider our needs and pay no attention to our capability or do anything which is beyond the capability of our country. Under the Eighth Five-Year Plan, the state has given priority to the construction of basic industries and infrastructural projects, such as agriculture, water conservation, energy, communications, telecommunications, and production of major raw and semi-finished materials. The state has given special attention to the development of electronics industry. Appropriate preferential treatment has also been given to education, scientific research, and construction of national defense projects. The principle we must follow is to attach special emphasis to priorities and give consideration to the ordinary projects. We must realize that not all projects of key businesses are key projects. Even key businesses must give priority to the needs of ongoing key construction projects and their supporting projects; and even key projects must give priority to the needs of the essential productive projects and the construction of necessary living facilities, and control the ordinary projects.

While planning key construction projects, each and every project must be fully funded. There should be no parts left unattended. The lessons we have learned from leaving certain parts of key construction projects unattended are very profound, and we should never forget them. From now on we must be determined to do what we can afford. We may cut one project, but we must make sure that all key construction projects that have been determined are fully funded. Changeable factors like costs, interest rates, and exchange rates should also be considered, and projects for which budgets are uncertain should by all means be avoided. Of course we must make sure that adequate investment does not mean overbudgeting or unrestrained spending.

Special attention should be given to the use of advanced technology. Using advanced technology in key construction projects has various meanings. Not only does it mean advanced production technology for future enterprises, it also means advanced designs, suitable sophisticated equipment, and new construction expertise. Those in charge of key construction projects must absolutely ensure that high and new technology is used in their projects, and they must do all they can to avoid or curtail those projects that duplicate outmoded technology. All localities and relevant units should attach great importance to this issue and take measures to upgrade their technology.

Supervision over key construction projects of the state must be intensified. This applies to decisionmaking, design, construction, post-construction assessment, and recovery of investment. We should not simply pay attention to construction and borrowing money, and disregard construction results and loan repayments. In the future, all planning departments and construction units must follow through with all construction stages, including checking and accepting the completed projects, as well as the preparations and construction of projects and their production and operation.

In conclusion, Chen Guangjian stressed that key construction projects are systems engineering projects involving all sectors, and so all-out cooperation is essential for success. He said: While departments of the state in charge of overall supervision should regard key construction projects as important responsibilities which they must fulfill, banking institutions and all departments and units in charge of design, construction, equipment manufacturing, and material supply should share responsibilities in their respective fields. All local governments must also take overall interests into account and support the state's key construction projects by making constant efforts to improve the local investment environment.

'Top Issues' of Labor Employment Reform

HK0708070191 Beijing RENMIN RIBAO in Chinese
31 Jul 91 p 2

[By correspondent Fei Weiwei (6316 0251 0251): "Labor Employment System Reform To Be Carried Forward During Eighth Five-Year Plan"]

[Text] Expanding the area covered by job-waiting insurance and perfecting the job-waiting insurance system will become the top issues of consideration in our country's reform in the labor employment system in the next five years. A work conference on national labor and employment concluded in Shenyang City suggested that during the Eighth Five-Year Plan our country will be promoting reform in the labor system, and gradually building a new labor employment mechanism with Chinese characteristics.

During the Eighth Five-Year Plan, our country's labor force will still be suffering serious contradiction where labor supply surpasses demand. The Labor Ministry proposed three tasks for the labor employment work in the Eighth Five-Year Plan: Establishing a labor employment development strategy that will fully exploit and rationally use labor resources; realize a stable employment situation; and promote job increases and deepen reform in the employment system. There must be a great effort to get 32 million people employed in towns and townships and to create employment opportunities for net labor increases in rural areas.

The conference emphasized that the Eighth Five-Year Plan will further perfect labor-service market mechanism. One way is to introduce competition mechanisms among enterprise workers and laborers so that enterprises may have decisionmaking powers to recruit people on merit and thus build a dynamic optimal composition with which to establish among workers a concept for employment competition and promotion based on merit. Another way is to build an unemployment protection scheme which will provide social security and services for laborers who have left their enterprises or are in the midst of changing jobs. With this, we may gradually extend the job-waiting insurance currently in place for some state-run enterprise workers to all workers; we may create conditions to gradually provide job-waiting insurance to workers in various town and township enterprises.

Economist Li Yining Outlines Reform Plan

AU0708155391 Frankfurt/Main FRANKFURTER
RUNDschau in German 7 Aug 91 p 7

[Interview with Li Yining, "China's leading reform economist," by Juergen Kremb in Beijing; date not given: "It Is Not the Government's Job To Deal With the Management of Enterprises"]

[Text] Sixty-one-year-old Li Yining is one of the leading economists of the PRC. As the head of the Economic Science Department at Beijing's elitist Beida University, he is a member of the Standing Committee of the National People's Congress (parliament), in the Budget Committee, and in numerous other government advisory bodies. Many of his concepts have formed the basis for the economic policy in the period of reform and opening toward the West. Li is also regarded as the father of the stock markets that have emerged in the PRC since last year. Our correspondent Juergen Kremb conducted the following interview with Li Yining in Beijing.

[Kremb] What is currently the dominating subject of discussion among China's economic scientists?

[Li] It is certainly the price reform. There are three differing schools in this connection. The first one says that as long as prices are not decontrolled immediately, none of the economic problems that we are confronted with will be solved. The second emphasizes that macro-economic state planning must be maintained and the management of state enterprises must be improved at the same time. The third suggests that to prevent social unrest, price reform should be carried out only after the economic situation has improved. Personally, I am rather in favor of the first approach, although with certain reservations: I think that the time is not yet ripe for decontrolling prices quickly.

[Kremb] When will the right time be?

[Li] As soon as major state enterprises make profits all by themselves and assume responsibility for losses.

[Kremb] That might take a long time. More than half of the state combines are incurring losses, right?

[Li] The main problem is that the enterprises and the state are not separate in China. In the current situation, price reform would not make much sense. First, the state must withdraw from the enterprises and allow them to develop into independent entities. What is more important is that the enterprises make profits before prices are decontrolled. After all, without such profits the state has no revenues. So how should it pay its employees and cadres? Moreover, we have to consider the unemployed we will certainly have once enterprises are made independent. So, first we need a social network and unemployment insurance, because otherwise we are bound to produce social unrest ourselves.

[Kremb] Reform of enterprises without price reform—is that at all possible?

[Li] If we were to decontrol prices tomorrow, everything would become much more expensive. Right now the consumers have 900 billion renminbi (the equivalent of about 300 billion marks—the editors) in their accounts or stashed away in their homes. Imagine if all that were thrown on the market in a panic reaction. First we have to offer the people stocks, which are then gradually transformed into capital. "Price reform without preparations would cause insurmountable problems. Eastern Europe has made the mistake of decontrolling prices before reforming enterprises. If we were to make the same mistake, chaos would break out in China, too.

[Kremb] So it might take ages.

[Li] If we try hard, the reform of state enterprises can be concluded in the nineties. Subsequently, one can gradually decontrol prices.

[Kremb] The question is whether you will have enough time to do it. Even now the enterprises are on the verge of collapse. They are inefficient, have huge stocks of

articles nobody wants, and the state does not have enough money to continue subsidizing them.

[Li] The only possibility is to abolish the state contract system (Chengbao or contract system—the editors), because it strengthens the unhealthy unity between state and enterprises.

[Kremb] The contract system, which stipulates that the enterprises pass on a certain percentage of their profits to the state while they may keep the remainder was the heart of the economic reform of the past 12 years. What should it be replaced with?

[Li] Joint-stock companies. The contract system does not solve the problems of our economy. It is unfair. It is like table tennis. To play fair, the players should have equal rights. Yet, under the contract system, the state assumes three positions. It is a player, the referee, and it even establishes the rules. It does whatever it chooses. In the future, the state must not interfere in production any more.

[Kremb] Yet, does that mean a loss of power for the party and the government?

[Li] Of course it does. Still, it is not the government's job to deal with the management of enterprises. That is the job of the boards of directors and the management, because only they know their enterprises. Anything else yields poor results.

[Kremb] But you yourself know who is making policy in China. Under the present strict rule, this will never work.

[Li] No, here I have more self-confidence. The government knows that all other roads do not lead anywhere. It has no other choice. The present system does not work. Our enterprises are all ailing. They are suffering from paralysis, they are no longer alive, they no longer react to the signals of the market; but even measures of the government cannot cure them any more.

[Kremb] How can the paralysis of the enterprises be overcome?

[Li] As in Germany; the government must leave them alone. However, it is more important that one finally understand that the problems of today's economy cannot be treated with the means of the sixties. At that time, the government was still able to manage the economy and the enterprises. Eighty percent of the peasants belonged to the people's communes. But today the people can freely travel and act independently. Today, you can no longer simply send the people to the country as was done during the Cultural Revolution. Nobody listens to this any longer. The government does not know that scientifically consolidated and precise methods are required in the macroeconomic control of the economy. What is used today in China are old, outdated methods. They have no more new ideas.

[Kremb] In your opinion, China's politicians do not have new approaches to solve the economic crisis?

[Li] Well, let us not say politicians, but those who are dealing with economic work. What is missing is an adequate economic law and adequate institutions. There is still neither a planning law nor an investment law nor a banking law in China. The appropriate laws for many fields of the economy are missing. They only rely on short-term political measures. However, first of all, the Chinese Central Bank would have to become independent.

[Kreimb] Your ideas sound plausible. But do you really believe that China's politicians will cooperate?

[Li] They have no other choice. Every year there are 10 million more young people over 18 looking for work. But where are they to find work? In the country? Nobody wants them there. They have to go to the private economy and start a business of their own. But this is not sufficient for 10 million jobs per year. They have to go to the big enterprises and be well trained. But as long as the enterprises are not reformed they cannot offer any new jobs. If social unrest is to be prevented, there will be only one way out—reform and independence of the state enterprises.

[Kreimb] What are China's greatest economic problems, in your opinion?

[Li] We have difficulties creating the required 10 million jobs every year, and the state does not have any more money.

[Kreimb] Why is the state running out of money?

[Li] One-third of all enterprises are working at a loss. They have to be subsidized. Moreover, tax revenues are lacking.

[Kreimb] Is China's breakdown imminent because of a lack of money?

[Li] Hardly. The government can borrow money from the state banks over and over again. Even during the Cultural Revolution the economy did not break down. A breakdown is not the problem. What is worse is that the problems are put off and not solved. However, the question is, how long this will work?

[Kreimb] And, how long will the people participate?

[Li] The young people above all will not tolerate being put off. If we do not solve our economic problems today, there will be no progress for China in a world where all are moving rapidly forward. China will increasingly lag behind.

[Kreimb] Has the Chinese economy overcome the depression of 1989?

[Li] The inflation rate clearly decreased, and exports increased. But there is still great pressure from the stocks. The reason is the insufficient quality of the Chinese products and the excessive price for them.

[Kreimb] Recently, the Communist Party has again referred to Mao's ideas. Can they successfully lead China's economy into the next century?

[Li] The Maoist idea is not only the merit of Mao himself, but it developed from the joint concept of many people in the Communist Party. I think that under the present conditions there is no other force but the Communist Party that can lead China.

[Kreimb] Competition between the enterprises to improve their results, but not between the parties. Is this a contradiction?

[Li] Undoubtedly, competition is required in the economy. One can also have the cadres and factory directors elected. But where will you find a power comparable to the Communist Party that can lead China? This will only result in chaos, and, above all, the people will suffer from this. We have to go our own way.

[Kreimb] According to Deng Xiaoping, it consists of socialism with Chinese characteristics. In the economy this means the fusion of the market and the plan. What role does the plan still have in China's economic future?

[Li] In my opinion, the plan is to take over what the market cannot control; for example, education, some infrastructure measures, support for the economically backward areas of the national minorities, energy supply, and railroads.

[Kreimb] But this is also not different in capitalist Western Europe. Where does Marxism come in?

[Li] My interpretation of Marxism is not that all economic activities must be planned by the state. If everybody wears the same shoes and the whole country produces the same range of products, this will only cause economic damage. Marxism means for me that the state helps the economically weak. In my opinion, the market should take the first place and the plan the second, where the market does not suffice for supplies.

[Kreimb] Are there actually still forces in the Communist Party who publicly reject economic reform and the opening to the West?

[Li] Nobody rejects this openly. However, there are people who do not support the reform very vigorously. They say that only bad influences have come to the country because of the opening to the West and that the social differences have become too great. Others say that gambling and superstition, for example, are promoted by the reform. But all that has little to do with the economic reform.

[Kreimb] What was the biggest mistake in China's economic development?

[Li] That from the fifties to 1978 the economic rules were not properly respected and the people did not act according to them. Sometimes one model was propagated, then the next campaign ordered the contrary.

[Kreimb] But this means that the largest part of PRC history consists of mistakes.

[Li] Right. Our socialism was intended to be purer than pure. A private garden, private pig breeding; all that was tabooed as capitalist.

Lawyers Meet in Beijing on Debt Default Recovery

OW0708011991 Beijing XINHUA in English
0038 GMT 7 Aug 91

[Text] Beijing, August 7 (XINHUA)—Lawyers in China have helped enterprises to recover nearly seven billion yuan of debt defaults since the middle of last year, according to Minister of Justice Cai Cheng.

In a speech at a meeting here yesterday on recovery of debts, the minister said that one of the main reasons for indebtedness is some enterprises' failure to observe the laws when they sign economic contracts.

He urged lawyers throughout the country to help enterprises train law experts so as to avoid this problem.

National Lawyers Meet in Dalian on Debt Chain

OW0608191191 Beijing XINHUA Domestic Service
in Chinese 0147 GMT 6 Aug 91

[By reporters Shi Chaoxu (4258 2600 2485) and Mu Fengjing (3664 0023 0079)]

[Text] Dalian, 6 August (XINHUA)—A national experience-exchange meeting of lawyers on helping break the "debt chain" opened in Dalian recently.

Lawyers across the nation have achieved striking success in helping enterprises break the "debt chain." Over the past year or so, they have helped creditors collect debts and recoup some 7 billion yuan in economic losses. In Liaoning Province alone, where the "debt chain" problem is particularly serious, lawyers handled 16,000 debt cases and helped enterprises recover 770 million yuan in debts over the past two years.

Speaking at the meeting, Minister of Justice Cai Cheng said: The "debt chain" was caused by many factors. There are economic as well as legal factors. Some enterprises set the stage for future trouble by honoring "contracts based on personal relationships" and "gentlemen's agreements" instead of economic contracts.

Cai Cheng said emphatically: Lawyers should fully play their key roles in helping to settle debts. Legal advisers in enterprises should be encouraged to make joint efforts in settling debts, and they should be trained in this respect. Both legal and nonlegal proceedings should be instituted to settle debt disputes with the close cooperation of industrial, commercial, banking, taxation, and enterprise management departments. More important, enterprises should be given assistance in seeking permanent solutions to their debt problems, drawing up relevant rules and regulations, and acting in strict accordance

with the law in production, supply, and marketing, so as to prevent the emergence of another "debt chain."

Imports, Exports for First Half of 1991

Imports

HK0108130491 Beijing CEI Database in English
1 Aug 91

[Text] Beijing (CEI)—Following is a list showing the value of China's import from Asian countries and regions in first half of 1991, released by the General Administration of Customs:

	1-6 1991	1-6 1990
	(Unit: 10,000 U.S. dollars)	
Country and Region	Import	Import
Hong Kong	739,164	607,511
Macao	7,642	7,575
Taiwan	145,006	80,195
Japan	401,883	322,122
Asean Nations	166,562	127,673
Indonesia	60,551	38,364
Malaysia	34,110	31,838
The Philippines	6,154	3,036
Singapore	43,703	38,032
Thailand	21,812	16,404
Brunei	233	0
Bahrain	6	0
Bangladesh	895	426
Burma	5,763	5,273
Korea	3,823	6,166
India	4,735	3,678
Iran	759	4,176
Iraq	0	4,314
Kuwait	0	1,922
Nepal	94	321
Oman	16,774	6,010
Pakistan	2,443	5,176
Qatar	2,906	658
Saudi Arabia	2,938	2,123
South Korea	38,857	27,607
Sri Lanka	300	61
Turkey	2,330	2,363
The United Arab Emirates	3,724	1,368

Following is a list showing the value of China's import from EEC countries in first half of 1991 released by the General Administration of Customs:

	1-6 1991	1-6 1990
	(Unit: 10,000 U.S. dollars)	
Country and Region	Import	Import
EEC	373,306	346,420
Belgium	15,155	13,072
Denmark	4,164	6,647
Britain	46,421	71,847
FGR	142,347	114,219
France	73,596	60,865
Ireland	615	314
Italy	55,783	47,396
Luxembourg	83	693
The Netherlands	17,039	17,838
Greece	416	755
Portugal	697	144
Spain	16,989	12,629

Following is a list showing the value of China's imports from part of African, European and American countries and regions in first half of 1991, released by the General Administration of Customs:

	1-6 1991	1-6 1990
	(Unit: 10,000 U.S. dollars)	
Country and Region	Import	Import
Algeria	498	813
Egypt	3	564
Libya	2,062	0
Zaire	126	289
Albania	317	843
Bulgaria	4,676	6,289
Czech and Slovak	7,145	15,589
Hungary	2,601	5,864
Poland	6,367	12,906
Romania	9,007	11,239
Austria	17,891	10,727
Finland	8,770	6,846
Norway	10,087	9,630
Sweden	16,075	9,661
Switzerland	22,615	19,788
Soviet Union	104,735	88,641
Yugoslavia	3,022	3,629
Argentina	10,899	21,093
Brazil	16,965	21,520
Chile	3,422	955
Cuba	11,341	19,405
Mexico	9,018	3,723

Peru	11,735	3,178
Canada	59,340	73,462
U.S.A	317,758	299,052
Australia	65,700	56,097
New Zealand	6,579	4,769

Exports

HK0108130091 Beijing CEI Database in English
1 Aug 91

[Text] Beijing (CEI)—Following is a list showing the value of China's export to Asian countries and regions in first half of 1991, released by the General Administration of Customs:

	1-6 1991	1-6 1990
	(Unit: 10,000 U.S. dollars)	
Countries, Regions	Export	Export
Hong Kong	1,353,753	1,092,219
Macao	22,727	22,107
Taiwan	24,083	11,985
Japan	428,585	342,726
Asean nations	184,401	155,760
Indonesia	20,373	16,382
Malaysia	20,842	14,846
The Philippines	9,093	10,158
Singapore	92,712	80,314
Thailand	40,914	33,841
Brunei	467	218
Bahrain	366	339
Bangladesh	7,477	6,755
Burma	19,566	8,868
Korea	24,454	16,084
India	7,758	7,202
Iran	8,688	15,452
Iraq	5	2,659
Kuwait	65	5,853
Nepal	1,697	2,529
Oman	403	272
Pakistan	24,763	15,032
Qatar	205	250
Saudi Arabia	12,402	16,754
South Korea	91,585	37,921
Sri Lanka	4,084	4,169
Turkey	2,762	2,261
The United Arab Emirates	11,888	11,610

Following is a list showing the value of China's exports to EEC countries in first half of 1991, released by the General Administration of Customs:

	1-6 1991	1-6 1990
	(Unit: 10,000 U.S. dollars)	
Country	Export	Export
EEC	310,910	243,719
Belgium	17,341	14,271
Denmark	6,430	4,620
Britain	32,813	26,258
FRG	108,169	77,453
France	32,430	26,982
Ireland	1,073	655
Italy	43,626	40,040
Luxembourg	22	24
The Netherlands	53,519	39,914
Greece	2,815	2,957
Portugal	1,947	2,142
Spain	10,723	8,402

Following is a list showing the value of China's exports to some European, African, and American countries and regions in first half of 1991, released by General Administration of Customs:

	1-6 1991	1-6 1990
	(Unit: 10,000 U.S. dollars)	
Country	Export	Export
Algeria	889	5,044
Egypt	3,710	5,505
Libya	3,234	2,098
Zaire	5,819	34,167
Albania	729	992
Bulgaria	556	1,966
Czech and Slovak	1,693	19,164
Hungary	844	1,502
Poland	2,775	4,997
Romania	3,802	10,022
Austria	2,605	1,599
Finland	2,999	2,925
Norway	2,148	1,940
Sweden	5,795	5,980
Switzerland	8,326	8,899
Soviet Union	70,996	79,262
Yugoslavia	1,874	1,680
Argentina	1,226	350
Brazil	2,594	3,513
Chile	3,057	1,887
Cuba	11,318	14,438
Mexico	3,288	6,303
Peru	1,272	1,466
Canada	23,849	20,172
U.S.A.	251,094	218,461
Australia	24,195	16,466
New Zealand	2,534	1,874

East Region

Anhui Implements UN-Funded Flood Relief Programs

OW0708145191 Beijing XINHUA in English
0836 GMT 7 Aug 91

[Text] Hefei, August 7 (XINHUA)—At present, a number of flood relief programs funded by the United Nations Development Program are underway in east China's Anhui Province, one of the most severely damaged areas during recent flooding.

Over 90 percent of the over 17.35 million yuan in flood relief funds will be used to construct temporary dwellings for flood victims in the province. The funds will be distributed in Funan, Yingshang, Huoqiu, Shouxian and Fengtai Counties in flood water discharge areas along the Huaihe River, and in Sanhe town, Feixi County.

The remaining 10 percent of the funds will be used to purchase medical supplies and equipment, including water clarifiers, purification chemicals, antibiotic medicines, and disease prevention vaccines.

Plans call for 50 to 100 families to be housed in each temporary living center, which will be equipped with auxiliary medical treatment centers, water wells and public restrooms.

The flood relief funds and supplies began arriving in early August, and thus far temporary housing has been arranged for over 2,000 families in Fengtai and Yingshang Counties.

Wu Guanzheng Discusses Fines, Economic Efficiency

HK0708130091 Nanchang Jiangxi People's Radio
Network in Mandarin 1000 GMT 5 Aug 91

[Text] A few days ago Governor Wu Guanzheng called on principal leaders of various prefectures, cities, and provincial government departments concerned to: 1) Tackle problems concerning unreasonable charges, apportionments, and fines; 2) Improve economic efficiency; and 3) Strictly control expenditures while getting an effective grip on combating drought and rush-planting.

Wu Guanzheng said: All localities must steadfastly tackle problems concerning the three unreasonables [unreasonable levies, fines, and apportionments], and resolutely dismantle unauthorized check points. The three unreasonables have aroused strong resentment among the general public. The State Council and provincial government gave strict instructions to check these malpractices, but some localities and units so far have stuck to their own ways, failing to observe discipline. This is absolutely intolerable. We must examine and prosecute those serious offenders strictly according to the law. Some people set up unauthorized check points to seriously block commodity circulation or even engage in extortion, greatly harming Jiangxi's image and dampening the people's enthusiasm for developing the commodity economy. This also is absolutely prohibited. All

prefectures, cities, and units must resolutely make a decision to dismantle unauthorized check points, and after ascertaining the facts, take disciplinary action against those who ignore injunctions.

Wu Guanzheng stressed: We must give top priority to economic efficiency in carrying on industrial production and truly implement the policies laid down by the central authorities and provincial party committee and government for invigorating enterprises, state-owned large and medium-sized enterprises in particular. We must resolutely suspend the production of goods the inventories of which are mounting, and must close down those enterprises making products that find no customers, merge them with other enterprises, or change their lines of production. We must develop new products that through investigation we really know will have a ready market and must accelerate the structural adjustment. Industrial enterprises must carry out activities to make 1991 a year of quality, variety, and efficiency; really improve internal management to tap innate potential, reduce material consumption, and cut down operating expenses for factories and workshops; carry out measures to eliminate losses and increase profits; reduce funds for finished products as soon as possible; break debt chains; and accelerate capital turnover.

Wu Guanzheng called on all localities and departments to continue to control expenditures strictly. In the remaining five months for 1991, no additional expenditures other than outlay for combating disasters will be allowed. We must keep expenditures within the limits of income. We must try in every possible way to make both ends meet.

More on Jiang Chunyun Inspection of Huimin

SK0808100191 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 7 Aug 91

[Text] When inspecting the Huang He flood situation in Huimin Prefecture, Jiang Chunyun, secretary of the provincial party committee, stressed: At present, we must not, in the slightest degree, have the idea of paralysis or relaxation. We must work on combating serious floods, make good preparations against floods, and eliminate all dangerous elements in a timely manner.

On the morning of 6 August, Jiang Chunyun, who was conducting inspections in Huimin Prefecture, went to the Huang He banks to inspect two dangerous sections, one in Daoxu and the other in (Dayizhang). After hearing reports by the responsible comrades of Huimin Prefecture's Huang He Affairs Office, Jiang Chunyun inquired in detail about the situation along the Huang He and the preparations for combating floods. He pointed out: We have just begun the Huang He antiflood work. Although the Huang He water level is not high, despite the abnormal weather, it is hard to say that there are no serious floods. So areas along both sides of the Huang He must not slacken their guard, but must base themselves on combating serious floods; make full ideological, organizational, and material preparations

against floods; and ensure there will be no problems in combating floods along the Huang He.

Jiang Chunyun stressed: In the course of combating floods along the Huang He, we must stress certain areas. These should take precautions against serious floods and in particular, should ensure the safety of the dikes along the Huang He. The Huang He is different from other rivers. Its riverbed is much higher than the earth's surface, and the riverbeds in some areas are about 10 meters above the ground level. Once a problem occurs in the dikes, the consequences will be disastrous. So, all localities should pay full attention to managing the dikes.

Jiang Chunyun pointed out: While conscientiously grasping antiflood work, localities should proceed from their own conditions to handle the relationship between waterlogging and drought, and should make good preparations against both floods and droughts. The areas afflicted with droughts should seize the opportune moment to divert water to irrigate farmland.

Jiang Chunyun urged: All localities throughout the province should go into action in a positive way, make good preparations, take precautions against both floods and droughts, and strive to reap an overall agricultural bumper harvest.

Central-South Region

Guangdong To Launch August Antidrug Campaign

HK0808084491 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 6 Aug 91

[Text] Yesterday evening the provincial government called a provincial telephone conference to relay information on the struggle against drug abuse in the previous stage. The conference decided to launch a province-wide unified examination of matters related to drug abuse in the second half of August, carrying out the struggle in depth.

Vice Governor Lin Botang, who is also director of the provincial drug abuse prevention committee, gave a speech at the conference.

It is reported that all localities across the province have gone into action since the 10 July meeting on preventing drug abuse which was called by the provincial government. Guangzhou, Shenzhen, Zhuhai, Zhongshan, Jiangmen, Shaoguan, and other cities have carried out extensive antidrug campaigns. From 15 to 25 July, a total 50 of drug-trafficking cases were cracked throughout the province, 15 drug outlets were destroyed, 18 kg of heroin were seized, and a number of drug traffickers and addicts were arrested.

To carry out the campaign in depth throughout the province, a province-wide unified campaign against drug abuse will be carried out 15-30 August. The general requirements are as follows: The campaign should be launched on a wide scale, and with great momentum, power, and dogged determination, and every effort must

be made to score great achievements in resolutely and effectively cracking down on drug traffickers and addicts who ignore laws and discipline. Effective measures must be taken to prevent the growing and processing of opium poppies and similar plants.

The telephone conference called on all localities to go into action immediately to prepare for the unified campaign so as to strive for victory in the first province-wide battle against drug abuse.

Shenzhen Plans Measures

OW0708213791 Beijing XINHUA in English
1500 GMT 7 Aug 91

[Text] Shenzhen, August 7 (XINHUA)—The Shenzhen public security organs will take strict measures to crack down on drug trafficking, Yang Shuitong, deputy head of the Shenzhen Public Security Bureau, said here today.

He said that since Shenzhen became a special economic zone it has attracted international drug traffickers.

It is learned that most of the drugs found in Shenzhen came from outside China, and the amount and variety are on the increase.

According to statistics issued by the bureau, so far this year more than 250 people involved in drugs have been picked up in Shenzhen, seven drug dens have been closed down, and 700 g of opium, 4,478 kg of heroin and 22.5 kg of morphine have been confiscated.

Hou Zongbin Inspects Henan Disaster Areas

HK0708130291 Zhengzhou Henan People's Radio Network in Mandarin 2200 GMT 2 Aug 91

[Excerpts] From 28 July to 1 August, provincial party committee Secretary Hou Zongbin and Governor Li Changchun made their way to Xincui, Huaibin, Huangchuan, and other flood-hit counties to extend regards to flood victims there and provide guidance for the relief work. They called on the broad masses of people in disaster areas to pluck up their courage and increase their confidence to provide for and help themselves by engaging in production and to rebuild their homeland.

Upon concluding his visit to Africa, Hou Zongbin rushed back to Henan, traveling day and night. Together with Governor Li Changchun he drove to the disaster areas, including Zhumadian and Xinyang Prefectures.

On the afternoon of 28 July, Hou Zongbin and Li Changchun came to [words indistinct], (Dunzhao) Village, Xincui County, braving the high temperature of 39 degrees Celsius. [passage omitted]

They also went to Huaibing, Gushi, and other counties, where the losses caused by floods were most serious, to extend the concern of the party and government to flood victims. [passage omitted]

Hou Zongbin and Li Changchun told the victims: In the face of disasters, we should rely on the party and government, collective strength, [words indistinct]. So long as we act this way, we are sure to overcome difficulties. [passage omitted]

At Meeting on Production, Relief

HK0708130891 Zhengzhou Henan People's Radio Network in Mandarin 2200 GMT 3 Aug 91

[Excerpts] On 2 August, provincial party Secretary Hou Zongbin and Governor Li Changchun held an on-the-spot meeting for handling official business in Xinyang. They pointed out: CPC Committees and governments at all levels in disaster-stricken areas should carry forward the spirit of boosting self-confidence, making unceasing efforts to become stronger, and supporting and saving themselves. They should stick to the guiding principle of providing disaster relief, and restoring and developing production. They should rely on their own efforts, work hard, and find their own means for relief, development, and prosperity in the face of severe disasters. [passage omitted]

After listening to reports by Zhumadian and Xinyang Prefectures, relevant departments and bureaus directly under provincial authorities, and financial sectors, Li Changchun put forward 13 opinions on a series of questions including the use of donated money, the supply of grain rations for disaster victims, and others. He said: Various disaster-stricken areas should manage and use donated money and goods well in accordance with the principle of giving emphasis to key disaster areas, dealing with different cases in different ways, taking into account both past experiences and the situation that might possibly arise in the future, and making unified plans and arrangements. In areas hard-hit by disaster, our emphasis should be placed on the areas most severely stricken. In areas that are most severely stricken by disaster, our emphasis should be placed on households that have lost their summer and fall grain and their property. We should exert our main efforts to arrange for the livelihood of families of servicemen and revolutionary martyrs, the five guarantees families, deserted widowers and widows, the sick, and the disabled. [passage omitted]

Provincial party Secretary Hou Zongbin made an important speech on carrying out production and provision of disaster relief well. He said: Since early summer this year, floods and water-logging in Xinyang and Zhumadian Prefectures have been serious. However, we can avoid man-made calamities despite natural disasters. True affection is shown in days of severe disaster. At present, the political situation in our disaster-stricken areas is stable, and their social order is good; the masses are reassured. Hou Zongbin continued: In providing disaster relief, we should stick to the principle of supporting the impoverished and restoring and developing production. Our foothold should be placed on self-reliance and working hard to carry out our pioneering

undertakings. Party committees and governments at all levels in disaster-stricken areas should carry forward the spirit of uniting as one and struggling hard to do pioneering work. They should truly readjust the structure of crops, speed up the development of town and township enterprises, considerably export labor force, and vigorously develop animal husbandry and breeding undertakings. They also should organize and lead the masses to develop the courtyard economy. In the face of natural disasters, we should extensively tap new sources for self-relief so as to find a way to restore, develop, and enrich the disaster-stricken areas. We should strive to ensure that per capita net income in disaster-stricken areas next year will reach the level it was before the disaster. [passage omitted]

Guan Guangfu Inspects Hubei Disaster Areas

HK0708125891 Wuhan Hubei People's Radio Network in Mandarin 1130 GMT 5 Aug 91

[Excerpts] While providing guidance for the relief work in Xianning Prefecture, provincial party committee Secretary Guan Guangfu stressed: All localities must guard against or get rid of a slack mood, maintain high morale, and make the spirit displayed in combating the disaster penetrate into every field of the work for 1991 so as to gain a complete victory in the struggle against the disaster.

From 30 July to 2 August, Guan Guangfu went to 10 disaster-stricken townships and towns in Xianning, Yangxin, Puqi, and Jiayu Counties. [passage omitted]

During his investigations, Guan Guangfu said: Since the disaster, the Xianning prefectural leadership has provided wise guidance and has taken effective measures. As a result, they made fairly great achievements in combating the disaster and providing disaster relief. He spoke highly of the spirit of fighting to win which was displayed by some villages that worked around the clock to hew channels through mountains in order to bring water to paddy fields. He reaffirmed the tenacious struggle waged by the cadres and people at the grassroots level to providing to and help themselves by engaging in production. He also sang the praises of the new party-people, cadre-people relationships that had been formed and the new mental attitude found in the antidisaster struggle.

He called on all localities to guard against or get rid of slack attitudes.

1. He said, although the water level of the Chang Jiang is dropping, unexpected torrential rains in the upper reaches or in the area around the Three Gorges certainly will endanger the Chang Jiang dikes, as it is now the high season for floods on the Chang Jiang. Again, the dikes are likely to collapse when the floods recede and we need not look far for a lesson.

2. Although the floods are receding and most of stagnant waters have been drained, the task of providing disaster relief for the present and future remains difficult. Therefore,

we should not lower our guard and leave things to chance. To prevent a decrease in the peasants' income when we have a bad harvest due to natural disasters, we must work hard to enable fall crops to hit an all-time high and to explore new possibilities in production to increase profits. Only in this way can we make up for the losses in the previous stage. The rush-planting and -harvesting that are under way are of great importance. The beginning of fall is just around the corner. We must work against time to make sure no fields run dry. After the rush-planting and -harvesting, we will try to improve field management. We must do a better job in field management than we did before by taking extraordinary and more scientific measures. In addition, while managing the land for growing field crops well and repairing irrigation projects, we should explore new possibilities in production and in increasing job opportunities. [passage omitted]

Guan Guangfu continued: In trying to provide for and to help ourselves by engaging in production when we are hit by serious natural disasters, we must formulate appropriate policies and measures, wherein lie the problems of implementing basic policies and defining special ones. These policies must be designed to arouse and protect the enthusiasm of the cadres and masses. We must adopt special policies, as well as stabilize the party's policies formulated since the Third Plenary Session of the 11th CPC Central Committee. [passage omitted]

Conditions vary from place to place, and the policies formulated should contribute to handling the relations among the state, the collectives, and individuals well.

Guan Guangfu said: We should examine ourselves following this serious disaster. We must notice both the successful experience gained in the past in construction of water conservancy projects, and the weak links brought to light by the disaster. Self-reflection will make us wiser: A fall into the pit, a gain in our wit. This will encourage us to value natural and economic laws more highly, and to stop acting blindly. After self-examination, we will go in for agriculture, which serves as the foundation of the national economy, and for construction of water conservancy projects in a big way. [passage omitted].

Guan Guangfu added: The sound mentality, social practices, work style, and Army-government and Army-people relations formed in the struggle against the disaster are our valuable wealth. We should keep up all these sound practices. In the antidisaster struggle, all levels of party organizations and the broad ranks of party-member cadres withstood the severe test. Wherever we visited, the masses came to us of their own accord to praise their basic-level cadres. This is a very gratifying phenomenon. We must make the best of the situation in order to strengthen the party ideologically and organizationally, and to improve its work style. At the same time, we must strengthen basic-level party organizations. In this way the party organization will become more powerful, the reform and opening policy will be carried out in a better way, and economic construction will proceed at a faster pace.

Guan Guangfu stressed: It is necessary to take good care of the masses' daily lives. In the areas exposed to snail fever, special efforts must be made to prevent the outbreak of the disease. [passage omitted]

Chen Bangzhu Inspects Hunan Disaster Situation

HK0708104991 Changsha Hunan People's Radio Network in Mandarin 2200 GMT 3 Aug 91

[Text] Governor Chen Bangzhu, deputy secretary of the provincial party committee, went to disaster-stricken rural areas in Hengyang to inspect the disaster situation there. He discussed matters of vital importance for combating the drought with city and county cadres and the masses.

On 1-2 August, Comrade Chen Bangzhu went to villages that were hit hard by disaster in Changning and Hengnan Counties to cordially talk with the masses in the villages and fields. When he saw the masses plowing paddy fields, which were no longer suitable for late rice, to plant fall crops and vegetables, Chen Bangzhu said: The output of our summer crops has dropped, and we should make up for the losses by boosting our output in the fall and winter. The decrease in agricultural production should be made up for by the production of town and township enterprises. Since all these measures are good, we should take prompt action to implement them. When some people said they had encountered difficulties in daily life because of the drop in early rice output, Governor Chen expressed his sympathy with them. He stressed: The government is working with the masses to try to find a solution.

Comrade Chen Bangzhu told responsible city and county figures: At present, our work should focus on combating the disaster so as to wrest a bumper harvest. The key lies in the efforts of our cadres at all levels to organize the masses on the front line to find a way out. In the next stage, we should vigorously develop a diversified economy and town and township enterprises, and enliven the purchase and sale of our agricultural and sideline products so the masses can minimize, or even avoid a drop in their incomes during this year of severe natural disasters.

During his two-day tour to inspect the disaster situation, Comrade Chen Bangzhu also found time to inspect factories, mines, and enterprises, and to visit workers on the forefront. He encouraged cadres and workers to support the drive to resist drought and provide disaster relief in rural areas with their practical actions to increase economic results.

Northeast Region

'Northeast Phenomenon' of Declining Industry

HK0708071591 Beijing ZHONGGUO XINWEN SHE in Chinese 0408 GMT 1 Aug 91

[By Guo Zhaojin (6753 2156 6855), Jin Guolin (6855 2654 2651): "On 'Northeast Phenomenon'"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 1 Aug (ZHONGGUO XINWEN SHE)—The words "northeast phenomenon" frequently have appeared in domestic and foreign publications. This concept, proposed by an economist in northeast China, means the following: The three northeastern provinces, which previously ranked in the forefront of the Chinese economy, have in recent years met with difficulties in industrial production, and their economic results are falling behind other provinces. This abnormal situation has evoked people's concern.

What is the cause of this "northeast phenomenon"? What is the way to solve it? After reading the relevant information, these two reporters went to northeast China to interview some enterprises and people from economic circles. They got the impression that the "northeast phenomenon" is worrying and that difficulties are mixed with hope.

The northeast is China's "industrial giant" where some 1,700 large and medium-sized state-owned enterprises are located—including the Daqing oilfield, the Anshan steel factory, and the number one automobile factory—accounting for a little more than one-seventh of the large and medium-sized state-owned enterprises in the country. Many of them play an important role in China. The three northeastern provinces are rich in resources, have good transportation facilities, and possess abundant scientific and technological impetus.

Statistics suggest, however, that this "industrial giant" has slowed its steps in recent years: Last year the country's gross industrial output value increased by 7 percent, whereas the three northeastern provinces registered only a 0.6 percent increase, far from the country's percentage. Last year's industrial growth rates for Heilongjiang, Liaoning, and Jilin, respectively, ranked second from last, fourth from last, and fifth from last in the country.

The situation changed for the better in the first half of this year. The industrial growth rates of Heilongjiang, Liaoning, and Jilin increased by 5.8 percent, 6.7 percent, and 7.3 percent respectively, but were still lower than the country's average of 13.4 percent.

However, apart from these statistics, we should not lose sight of other factors. Last year the output value of industrial enterprises under ownership by the whole people throughout the country increased by only 2.9 percent; with the industrial growth rates of town and township enterprises, "three kinds of enterprises partially or wholly foreign-owned," and other types of economic sectors, the country's industrial growth rate stood at 7 percent. Some people in economic circles said that last year's industrial production actually "relied on town and township enterprises and the three kinds of enterprises." A communique issued by the State Statistical Bureau also indicated that township industrial enterprises in coastal areas and other types of economic sectors were the main factors causing the industrial growth rate, whereas the three northeastern provinces

registered a slow recovery rate in production because their heavy industry and all-people-owned industrial enterprises accounted for a large percentage.

While reviewing the "northeast phenomenon," we should not evade the fact that the three northeastern provinces have registered a continuous drop in their industrial production. Their industrial output value accounted for 25 percent of the country's in 1957, but this dropped to 13 percent in 1989. In the past Liaoning contended with Shanghai for championship in industrial output value, but it ranked fifth in the country last year. This does not necessarily indicate that the three northeastern provinces are experiencing economic depression. As a matter of fact, China has adjusted the entire economic disposition since it introduced reform and opening up. Taking advantage of their geographical position, coastal areas have developed town and township enterprises, "three kinds of enterprises," and economic strength. Comparatively speaking, northeast China's industrial proportion to the country's total has dropped, and this drop is normal to a certain degree.

Based on this analysis, we can conclude that the "northeast phenomenon" is actually a universality in the country, namely, large and medium-sized state-owned enterprises lack vitality. However, northeast China is conspicuous in this respect because large and medium-sized enterprises are concentrated in this region.

Apart from "debt chains," a problem affecting the country's enterprises, industrial enterprises in northeast China also are facing these special situations:

Most of the key enterprises in northeast China were set up in the early 1950's and have made great contributions to the country for the last few decades. Now they have exhausted their "youthful" energy and some have become "old." Their equipment is obsolete and backward. Two-thirds of the equipment in this region lags behind the country's advanced standards.

Northeast China's industrial structure is "heavily out of balance." Its heavy industrial output value accounts for two-thirds and most of its products are large machinery and equipment. Its enterprises have to undertake heavy mandatory tasks and these enterprises' products are purchased by the state at low prices, yet they buy raw materials at high prices. In such cases their economic results have worsened, but their contributions to the country should not be forgotten.

The "northeast phenomenon" has evoked worry and concern among people in that region. Economic policy-makers in the three provinces have worked out relevant policies in light of their actual conditions. Liaoning Province's strategic idea is "carrying out fewer construction projects and introducing more transformation," using its limited funds for technical transformation; Jilin Province has taken the initiative in forming "enterprise groups" to bring enterprises' "coherent force" into play;

early this year Heilongjiang Province began to carry out eight measures to invigorate its enterprises, and now has achieved good results.

During their tour of northeast China, these two reporters also learned that the region will perform well in opening up to the world in the 1990's. The Liaodong peninsula is opening wider to the world; the channel of Tumen Jiang in Jilin will be dredged to allow foreign countries to build an economic sphere surrounding the Sea of Japan; economic cooperation between Heilongjiang Province and the Soviet Union is entering a good environment. Regional economic cooperation in Northeast Asia unquestionably will bring vitality to northeast China's economy. We have reason to believe that following the development of China's economic reform, this "industrial giant" will take a new step forward in the 1990's.

Sun Weiben at Party Standing Committee Meeting

SK0808043191 Harbin Heilongjiang People's Radio Network in Mandarin 0900 GMT 7 Aug 91

[Excerpts] This afternoon, the Heilongjiang Provincial CPC Committee held an enlarged Standing Committee meeting at the provincial Flood Prevention Headquarters to call on the Army and the people across the province to go into action urgently, conscientiously implement the Premier Li Peng's directive, meet the approaching serious floods on the Songhua Jiang, and win a complete victory in combating floods and providing relief for the disaster areas.

Sun Weiben, secretary of the provincial party committee, presided over this enlarged Standing Committee meeting. Governor Shao Qihui, deputy secretary of the provincial party committee; Ma Guoliang, deputy secretary of the provincial party committee; Wang Haiyan, Li Genshen, Xie Yong, Meng Qingxiang, and Shan Rongfan, members of the Standing Committee of the provincial party committee, attended the meeting. Leading comrades of the provincial Advisory Group, the provincial People's Congress, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference, and the provincial Discipline Inspection Commission; leaders of the provincial military district and Army units stationed in the province; and responsible comrades of the provincial party committee and provincial government departments concerned attended the meeting as observers.

Comrade Shao Qihui first relayed the guidelines of the State Council Premier Li Peng's speech given after inspecting and hearing a report on our province's flood prevention work. Vice Governor Sun Kuiwen reported on the suggestions for implementing Premier Li Peng's directive. Meng Qingxiang gave a speech on how to display the role of party organizations as the fighting bastions, and the vanguard and exemplary role of the communist party members. [passage omitted]

According to the latest report released last night by the provincial hydrological station, the water volumes of the

flood peaks of the Nen Jiang and the second Songhua Jiang have risen, and the water flow rate is more rapid than expected. The flood peak will occur around 11 August in the Harbin section of the Songhua Jiang, and the flow rate will be 10,500 cubic meters per second. It is expected that the water level will reach 120.3 mm, the same as the water level recorded in 1957, which was the highest since liberation. If rainstorms occur in large areas on the upper reaches of Fengman Reservoir and the Lalin He, the floods will be greater than the serious floods of 1957. This year, the flood situation in our province is very severe. The floods occurring recently in the mainstream of the Songhua Jiang were not only great in flow rate and high in water level, but also lasted for a long time, adding more difficulties to the work of combating floods and dealing with emergencies. In order to implement the spirit of Premier Li Peng's directive calling for a good job in flood prevention work and making up for poor harvests with bumper harvests in some localities, the flood prevention work on the main stream of the Songhua Jiang must be stepped up. Strenuous efforts should be made to firmly implement the measures that have been adopted already and have proved effective in the course of practice in order to guarantee that the grand embankments along both sides of Songhua Jiang will not be breached. [passage omitted]

The meeting called for efforts to combine the work of combating floods and dealing with emergencies with the work of repairing projects damaged by floods and draining flooded fields, and to strive to reap a good agricultural harvest. At the same time, efforts should be made to do a good job in providing for and helping the people by engaging in production, and by ensuring that the flood victims have accommodations, food, clothing, work, and money, and that no person will suffer hunger or fall ill.

Sun Weiben, secretary of the provincial party committee, also gave a speech at the meeting.

Northwest Region

CPPCC's Qian Weichang Inspects Gansu

HK0808083891 Lanzhou Gansu People's Radio Network in Mandarin 2200 GMT 3 Aug 91

[Excerpts] On 1-2 August, Qian Weichang, vice chairman of the CPPCC National Committee, made an inspection tour in our province, accompanied by (Chen Dongsheng), member of the Academic Committee under the Chinese Academy of Sciences, and Zhu Xianren, vice chairman of the provincial Chinese People's Political Consultative Conference [CPPCC]. Vice Chairman Qian Weichang pointed out that large enterprises in the northwestern region have powerful economic strength, and their scientific and technological level is high. We should fully make use of, and carry forward their strong points to bring along the development of the local economy. [passage omitted]

While visiting (Jinchuan) company, Qian Weichang said: The company not only has made important contributions to the development of our country's nickel industry, but also has gained a lot of experience in tackling key scientific and technical problems. It has trained and nurtured a large number of scientific-technical and management personnel for enterprises. This is a very valuable asset. He added: Local governments at all levels should fully make use of this asset and create conditions to assign scientific-technical personnel to work in collective enterprises in cities and towns, as well as town and township enterprises. They will help enterprises increase their scientific and technical level, and improve their product quality.

Qian Weichang continued: At present, many enterprises have attached importance to the training of management personnel, but have neglected the training of sales personnel. This is one reason contributing to the overstocking of products. According to the successful experiences of foreign enterprises and enterprises in coastal areas at home, we should concentrate our efforts on training our sales personnel. With a contingent of sales personnel who have very strong working capabilities, we will be able to use sales to promote production, speed up capital turnover, and enhance the economic results of enterprises.

Gansu Officials Issue Appeal To Combat Drought

OW0808015491 Beijing XINHUA in English
0005 GMT 8 Aug 91

[Text] Lanzhou, August 8 (XINHUA)—Gansu Province, in Northwest China, has been afflicted by drought and soaring temperatures since mid-June this year, affecting two-thirds of the two million ha [hectares] of farmland in the province and affecting 1.29 million people and one million head of domestic animals.

The provincial party committee and government have issued an urgent appeal to all the people in the province to act promptly to fight against the drought and protect the crops.

The period from June to August is usually the rainy season in Gansu. However, it has rained little this year. Moreover, no rain is expected in most parts of the province in the near future. Over 133,000 ha of farmland cannot be sown with crops because of the shortage of water.

The provincial government has collected three million yuan, 5,000 tons of fertilizer, 6,700 tons of diesel fuel and 500 tons of gasoline for the anti-drought fight. The government has called on leaders at all levels in the provinces to give priority to the battle against the drought and make every effort to rescue the crops.

Yin Kesheng at Qinghai Commodity Fair Opening

HK0808082291 Xining Qinghai People's Radio
Network in Mandarin 2200 GMT 3 Aug 91

[Excerpts] Yesterday morning [3 August], amid the clear and loud cracking of firecrackers, the Pretty Summer

Commodities Fair held by Qinghai Province and the Xining area to greet the new fall season, opened solemnly in Xining. Yin Kesheng, provincial party Secretary, and Cai Zhulin, member of the provincial CPC Committee Standing Committee and provincial vice governor, attended the ceremony to extend their congratulations. Relevant leaders from the provincial People's Congress, the provincial committee of the Chinese People's Political Consultative Conference [CPPCC], the provincial Advisory Commission, the provincial Discipline Inspection Commission, and the provincial People's Government, as well as the Xining City CPC Committee and government, also were present at the opening ceremony.

At the opening ceremony, Xining Mayor Liu Guangzhong and (Zhao Ledi), director of the provincial Commercial Department, each delivered their opening speeches. They said enthusiastically: August in Qinghai is a precious month in which the weather is nice and cool, and the scenery is beautiful. Our purpose in holding the Pretty Summer Commodities Fair to greet the new fall season is to enable our guests from various parts of the country to know and become familiar with Qinghai. Of course, it is more urgent for Qinghai to know more about the whole country. It is more necessary for our products to enter big markets at home and to participate in extensive domestic circulation. The prestige of our products should be tested and enhanced in the markets.

In their opening speeches, they also pointed out: We earnestly hope that while they are escaping the hot summer, and enjoying the cool weather and appreciating the scenery here in the western part of the motherland our honorable guests will study Qinghai's economy and market, and jointly do more work for the development of Qinghai, an area in the western part of the motherland. We also earnestly hope that our friends from the enterprise sector will do more business with us, and will promote our friendship on the bases of supplying each other's needs and of mutual benefit, and that they will arrive happily and leave satisfied. [passage omitted]

Jin Jipeng Interviewed on Cooperation

OW0708213891 Shanghai JIEFANG RIBAO
in Chinese 2 Aug 91 p 1

[Report on interview with Qinghai Governor Jin Jipeng, by Jin Fuan (6855 4395 1344) and Lu Xuedong (0712 1331 2639); in Qinghai, 30 July: "Qinghai Wants To Revitalize the Province Through Scientific and Technological Advances, and Hopes to Cooperate With Shanghai"]

[Text] "Qinghai will revitalize the province through scientific and technological advances, and will accelerate the pace of reform and opening. There is great potential in combining Shanghai's advanced technology with Qinghai's rich resources," said Governor Jin Jipeng of Qinghai during a meeting with a group of JIEFANG RIBAO reporters, led by Chief Editor Ding Ximan, on a visit to Qinghai 30 July. Yin

Kesheng, secretary of the provincial party committee, called on the JIEFANG RIBAO reporters after the meeting to extend his greetings.

Governor Jin Jipeng said: Prior to May 1989, I worked in Jiangsu, and therefore am very familiar with JIEFANG RIBAO. Welcome to Qinghai. It is hoped that you will give more publicity to strengthening ties and cooperation between Qinghai and Shanghai. The governor gave a detailed account of Qinghai's situation. He said: Qinghai has two special features. One is that it is a region where minority nationalities live in compact communities. Of the 4 million people who live here, the Han people account for 58 percent, while five ethnic groups—namely the Tibetan, Hui, Mongolian, Tu, and Salar peoples—make up the remaining 42 percent. The other feature is our rich resources and exceptional advantages in hydroelectric resources. Six terraced power stations with a total installed capacity of over 8 million kilowatts can be built between the Longyangxia and Jishixia Gorges on the section of the Huang He in Qinghai Province. In addition, Qinghai has the special resource of salt lakes, which contain sodium, potassium, sodium borate, lithium, and other mineral ores. Verified deposits of potassium, a raw material for chemical fertilizers, total 200 million tonnes. The Golmud salt lake will produce 500 tonnes of highly purified magnesia, a material for smelting steel, in the second half of this year. Haixi is extracting oil and expects to produce 1 million tonnes of crude oil this year. In the Golmud area, 50 billion cubic metres of natural gas are under control now, and more natural gas will be brought under control during the Eighth Five-Year Plan. Haixi has also the largest verified deposits of strontium, an indispensable raw material for making kinescopes. Moreover, Hainan is verifying the existence of a 1 million-tonne copper mine. As far as verified deposits of nonmetallic ores are concerned, Qinghai is rich in asbestos, gypsum, and silica, and its asbestos deposits top other regions in the country.

The governor said: Qinghai has an unique tourism resource. The state intends to invest funds next year to improve tourist facilities at the Tar Temple, the mecca of the Tibetan religion. The beautiful sceneries of bird islands, salt lakes, Qilian pasture land, and Kunlun hunting grounds are Qinghai's famous scenic spots, and are unrivaled in the country. The Xining airport is under construction, and efforts are being made to open air routes to Beijing, Shanghai, and Guangzhou before the end of this year.

Discussing the focus for revitalizing Qinghai during the Eighth Five-Year Plan, the governor said: While continuing to develop agriculture and animal husbandry and to maintain social stability, we will concentrate our efforts on improving the economy and accelerating the pace of reform. Proceeding from Qinghai's reality, people throughout the province have reached the common understanding that we must revitalize Qinghai through scientific and technological advances because only by stepping up scientific and technical work will we be able to make greater advances in

agriculture and animal husbandry, fully utilize Qinghai's advantages in resources, and further expand cooperation with coastal regions.

The governor said: The development of Qinghai's economic cooperation, especially scientific and technical exchanges with Shanghai, is on the agenda already. So far, Qinghai has acquired No. 6135 diesel engines manufactured by the Shanghai diesel engine plant and No. 6115 diesel engines developed by the Shanghai internal combustion engine institute. We expect to put them into operation before the end of this year. The Shanghai-invested Qinghai aluminum plant will expand operations and send its products to Shanghai for intensive processing. Moreover, there is great potential for cooperation in the fields of steel alloys, magnesia, and wool processing. In short, Qinghai is ready to utilize its advantages in resources and to play its role as the initial processing base for the development of Shanghai's high-tech industry.

Viewing the prospects for the end of this century and for early in the next century, the governor said: Qinghai is an important hinterland in northwest China, and its prosperity and development are of strategic importance to developing the motherland's vast northwestern region, strengthening the great unity of all nationalities, promoting the common prosperity of the Chinese nation, and building socialism with Chinese characteristics. We firmly believe that with people of all nationalities in Qinghai fighting in unity and advancing together with the support and cooperation of fraternal provinces and municipalities, Shanghai, and coastal regions in particular, we surely will fulfill the magnificent blueprint drawn up by the party Central Committee for the people of Qinghai.

The governor also spoke highly of the exchange of reporters between JIEFANG RIBAO and QINGHAI RIBAO. JIEFANG RIBAO Chief Editor Ding Ximan briefed Yin Kesheng and Jin Jipeng on the policy of running the newspaper and his impressions of the current visit to Qinghai. He pledged to send more reporters to Qinghai and publish more reports about new construction and the changing face of the province to the people of Shanghai, including readers of JIEFANG RIBAO, thereby playing a role as bridge between Qinghai and Shanghai, coastal regions, and the outside world. Comrades Yin Kesheng and Jin Jipeng said delightedly that Qinghai will increase its subscriptions to JIEFANG RIBAO so as to learn Shanghai's experiences in improving work in Qinghai.

QINGHAI RIBAO Chief Editor Yao Deming was present at the meeting.

Rural Enterprises 'Pillar' of Qinghai

OW0808085891 Beijing XINHUA in English
0759 GMT 8 Aug 91

[Text] Beijing, August 8 (XINHUA)—Rural enterprises in northwest China's Qinghai Province, which were introduced during the Seventh Five-Year Plan period

(1986-1990), have reportedly become one of the province's three main economic pillars.

In the past, Qinghai, a remote inland province, was characterized by a somewhat backward economy, and the farmers and herdsmen in the region had little understanding of a commodity economy. According to today's "ECONOMIC DAILY" [JINGJI RIBAO], the region's rich agricultural and animal husbandry resources suffered because of inadequate development.

However, beginning in 1985, the provincial party committee and government listed the development of rural enterprises as a key factor for developing the provincial economy. The committee drafted a series of measures favorable for the establishment of rural enterprises.

As a result, by the end of 1990 the total output of rural enterprises increased dramatically by 102 percent, while taxes and profits paid to the state increased by 69.68 percent.

The output value of rural enterprises in areas inhabited by ethnic minorities accounted for 52.9 percent of the total increase, while taxes and profits in those areas accounted for 51.3 percent of the total.

The development of rural enterprises brought about great changes in the region's economic structure, which in the past was centered on agriculture and animal husbandry. At present, Qinghai has built carpet and ferrosilicon export production bases, and its industrial sector has expanded to energy, building materials and food processing.

Red Cross Society To Send Envoys to Taiwan

OW0508034591 Beijing XINHUA in English
0258 GMT 5 Aug 91

[Text] Beijing, August 5 (XINHUA)—The Red Cross Society of China will send three representatives to Taiwan to settle the issue that 18 fishermen from the mainland have been detained in Taiwan from July 21.

The State Council's Taiwan Affairs Office wrote to the Foundation for Exchange Across the Taiwan Straits in Taiwan Province to inform that the China Red Cross Society has decided to send three representatives to Taiwan to visit the 18 detained fishermen from the mainland and settle the case through consultations.

The representatives of the Red Cross Society of China will consult with relevant authorities in Taiwan to settle the case.

They will be accompanied by two correspondents respectively from the XINHUA NEWS AGENCY and the CHINA NEWS SERVICE to cover the event.

Limitations Regretted

OW0708104791 Beijing XINHUA Domestic Service
in Chinese 0657 GMT 7 Aug 91

[Text] Beijing, 7 Aug (XINHUA)—A spokesman of the Red Cross Society of China issued a statement to XINHUA reporters today, expressing profound regrets over the Taiwan relevant authorities' limitation on the society's proposal to send three personnel to visit the 18 fishermen from Fujian who have been detained in Taiwan over a fishery dispute on 21 July. The full text of the statement follows:

The "21 July" incident in the Taiwan Strait was originally a fishery dispute, which had already been settled by the parties concerned. However, due to the Taiwan military side's involvement, the incident escalated continuously and become increasingly complicated. To date, the 18 innocent Fujian fishermen have been detained in Taichung [Taichung] for as long as 17 days, and seven of them have been prosecuted and put on trial.

Based on a humanitarian stand, the Red Cross Society of China proposed dispatching three personnel to Taiwan to visit the fishermen to obtain firsthand information and find a fair, reasonable solution to the dispute on the basis of facts and through consultations. However, the relevant Taiwan authorities recently responded by allowing two personnel to visit Taiwan for only two days, thus setting an unreasonable limitation on this legitimate proposal. We profoundly regret the response.

Let us recall an incident that took place on 9 March, when Taiwan police shot and killed mainland fishermen. Taiwan's Red Cross organization twice requested dispatching personnel to the mainland. The Red Cross Society of China generously offered to help and tried its utmost to properly settle the matter. A comparison of these two incidents shows that the relevant Taiwan

authorities have handled the recent incident in an unreasonable manner. In spite of the development of the situation and of the unjust treatment of our personnel, the society has decided to dispatch two personnel to Taiwan out of concern for the 18 Fujian fishermen who are detained in Taichung.

At present, the people of the mainland are very much concerned about the plight of the 18 Fujian fishermen. The large number of fishermen on Fujian's coastal region, in particular, [words indistinct] the relevant Taiwan authorities to remove man-made obstacles and approve [words indistinct] the fishery dispute as soon as possible.

'Mainland-Taiwan Relations' Symposium Opens

OW0708040791 Beijing XINHUA Domestic Service
in Chinese 0931 GMT 6 Aug 91

[By reporter Wan Hongqiang (8001 4767 1730)]

[Text] Beijing, 6 Aug (XINHUA)—A symposium on "relations between the two sides of the Taiwan Strait" opened in the Taiwan Hall of the Great Hall of the People in Beijing this morning. Attending this symposium were more than 120 scholars and experts from Taiwan, Hong Kong, the United States, Japan, and the mainland.

Today's session was presided over by Zhang Wanxin, vice president of the Taiwan Studies Society. Jing Shuping, vice president of the same society, delivered the opening speech.

He said: We are gathered here to study the question of how to further promote the development of relations between the two sides of the strait and how to advance the motherland's peaceful reunification. Through this symposium we can exchange our ideas, promote our understanding, and deepen our consensus so as to explore and seek an effective approach to eliminate obstacles, and further develop relations between the mainland and Taiwan and promote the reunification of the country.

Jing Shuping noted: The question to be discussed at this symposium is not only the concern of all the Chinese people at home and abroad, but also a matter of prime importance which has a direct bearing on how the Chinese nation is going to accept the challenge while the current international political and economic orders are drastically changing, and to restore its great prestige so it can stand towering like a giant among the nations of the world. Today, the fact that so many experts and scholars have come from all places in the country and from overseas to meet happily here in Beijing indicates that we all are following the question with great interest.

He said: The motherland's reunification is the common cherished desire of all Chinese people. In light of this, since the end of the 1970's, the Communist Party of China [CPC] and the Chinese government have put forward the principled policy "peaceful reunification, and one country-two systems," and have adopted a

number of measures to help ease relations between the two sides. Not long ago, a responsible person of the CPC Central Committee's Taiwan Affairs Office, made a three-point proposal on behalf of the CPC, thus indicating the CPC's sincerity in promoting the development of relations between the mainland and Taiwan, and gradually advancing the peaceful reunification of the country. Recently, the Taiwan authorities also stated on a few occasions that they advocate the peaceful reunification of the two sides. They also adopted some wise measures to reduce hostility and expand exchanges. This goes with the tide of epochal development and is in the fundamental interest of the Chinese nation. Our compatriots, both throughout the country and overseas, all rejoice at this development.

Touching on the many obstacles still existing in the development of the current relations between the two sides, Jing Shuping pointed out: The people on both sides of the strait are urgently calling for direct mail, commercial, and transport services; two-way exchanges; and high-ranking talks. However, none of them has been realized. The splittist

activities launched by a very small number of "Taiwan independence movement" elements on the island of Taiwan also have cast a new shadow over the peaceful development of mainland-Taiwan relations. Jing Shuping called on the experts and scholars attending the symposium to follow the guidelines of seeking common ground while reserving differences, and approaching the subject by exchanging ideas, encouraging the free airing of what people think, and being frank and sincere with other. He expressed the hope that they will, through discussion, do their best to produce some viewpoints and conclusions that conform to the tide of history, and will make their own contribution to the development of relations between the two sides of the strait and the cause of the motherland's peaceful reunification.

More than 10 experts and scholars read their treatises at the symposium.

The three-day symposium was sponsored by the Taiwan Studies Society, the All-China Federation of Taiwan Compatriots, and Institute of Taiwan Studies under the Chinese Academy of Social Sciences.

Mainland Red Cross Officials Allowed To Visit*OW0608140791 Taipei CNA in English 0754 GMT
6 Aug 91*

[Text] Taipei, Aug. 6 (CNA)—The government and ruling Kuomintang (KMT) decided Monday to allow two Mainland Chinese Red Cross officials to visit 18 mainland fishermen detained here for their alleged involvement in a pirate attack against Taiwan fishermen in the Taiwan Straits.

Based on the principle of "reciprocity," the two mainland Red Cross officials will be allowed to stay here for two days, said Ma Ying-jeou, vice chairman of the Mainland Affairs Council (MAC).

Peking has requested to send three Red Cross officials and two reporters to visit the 18 fishermen. They plan to arrive here Aug. 8 and leave Aug. 15.

Ma explained that when three Republic of China [ROC] police officers were kidnapped to the mainland as they were aboard a mainland fishing boat checking for suspected smuggling, only two ROC Red Cross officials were allowed to meet them for one and a half hours. The three were returned to Taiwan April 4.

When the three ROC police officers were detained in Fujian Province, ROC reporters were not allowed to interview them or to cover their meeting with ROC Red Cross staff members.

The MAC met Monday to discuss a Peking proposal to dispatch three Red Cross officials and two reporters here to understand the incident.

The KMT's mainland affairs task force also met to work out counterproposals to the mainland proposal, and concluded that only two Red Cross officials should be allowed entry for two days, while the reporters must apply to the government information office for permits to cover the story.

Seven of the 18 mainland fishermen aboard Min Shih Yu [Minshiyu] Nos. 2294 and 2295 have been charged with piracy against Taiwan fishermen July 21; the 11 others are to be returned to the mainland Aug. 9 as prosecution authorities in Taichung, central Taiwan, have dropped charges against them.

Ma said the legal incident is not purely a civilian dispute; since court proceedings have already begun, "we should wait for the court's decision."

The MAC official added that "we will never accept the mainland's charges that we are implicating good citizens and accusing them of being pirates."

Reporters' Trip Unlikely*OW0708115391 Taipei CNA in English 0810 GMT
7 Aug 91*

[Text] Taipei, Aug. 7 (CNA)—A ranking government official said Tuesday that two mainland Chinese

reporters are unlikely to accompany mainland Red Cross officials coming here for a "humanitarian visit."

Liao Cheng-hao, deputy director general of Government Information Office (GIO), said that as of Tuesday GIO had not received any applications, so it is very unlikely that the two reporters will come with the Red Cross officials.

The government will allow two mainland Red Cross officials to visit 18 mainland fishermen who had been detained in Taichung, central Taiwan, for an alleged pirate attack on Taiwan fishermen.

Peking has proposed that a XINHUA NEWS AGENCY and a CHINA NEWS SERVICE (CNS) reporter be allowed to visit here together with three Red Cross officials.

The Mainland Affairs Council (MAC) said that if the two reporters are to visit here, they must apply to GIO since their visit is not related to "humanitarian concerns" over the piracy incident.

Another source said XINHUA's Fan Liqing and CNS' Guo Weifeng are expected to arrive here soon because they had been invited by a private newspaper in Taipei.

The source, who requested anonymity, said the UNITED DAILY NEWS had informed the Straits Exchange Foundation of its invitation to the two reporters.

Paper To Invite Journalists*OW0808102691 Taipei CNA in English 0807 GMT
8 Aug 91*

[Text] Taipei, Aug. 8 (CNA)—THE CHINA TIMES, a major daily newspaper in Taipei, has applied with the Government Information Office [GIO] for permission to invite two mainland Chinese journalists to Taiwan for a brief visit.

The two journalists are Fan Liqing, 36, deputy chief editor of Hong Kong and Macao News of the XINHUA NEWS AGENCY, and Guo Weifeng, 34, director of the Hong Kong, Macao, and Foreign News Department of the CHINA NEWS SERVICE.

The application will be processed by GIO and the Bureau of Entry and Exit of the Ministry of the Interior promptly so that entry permits may be issued to them in time for their arrival in Taipei early next week, if they meet all the screening requirements, Liao Cheng-hao, deputy director general of GIO said Wednesday.

While here, the two mainland journalists will cover the unprecedented visit of two representatives of mainland Chinese Red Cross Society to Taiwan.

The two Red Cross personnel are expected to come here on Aug. 12 to visit seven mainland Chinese fishermen who have been indicted for piracy. The two representatives are expected to stay here for three days.

Eighteen mainland Chinese fishermen were arrested on July 21 after they allegedly boarded and robbed a

Taiwan fishing boat in the Taiwan Straits. Eleven of them have been acquitted for lack of evidence and were sent to the offshore island of Kinmen today for repatriation to the mainland.

Reporters Allowed Entry

OW0808102591 Taipei CNA in English 0812 GMT
8 Aug 91

[Text] Taipei, Aug. 8 (CNA)—Peking has agreed to send just two Red Cross officials here after it dropped its insistence that three be allowed, and Taipei decided to extend their stay here from two to three days.

The Mainland Affairs Council (MAC) Wednesday recommended that Qu Zhe, deputy secretary general of the mainland Red Cross Society, and Zhuang Zhongxi, the society's deputy director of policy research, visit Taiwan Aug. 12.

MAC Vice Chairman Ma Ying-jeou said the mainland Red Cross officials will definitely see the seven mainland fishermen being detained in Taichung on charges of piracy against Taiwan fishermen, "so the timing of their visit here is not so important."

As Peking has insisted on sending the Red Cross officials here today, and Taipei has remained firm in processing the entry applications according to its rules and regulations, some people doubt if the first visit here by mainland Red Cross men will materialize at all.

Ma said that Taipei does not have to arrange the itinerary of the mainland delegates according to their wishes. "After all, the mainland Red Cross men are coming to our place. They should respect our business rules, I suppose."

All government agencies involved have been processing the exchange of messages between the Straits Exchange Foundation (SEF) and the Taiwan Affairs Office of Peking's State Council in an urgent manner, Ma noted.

As to the visit here by two mainland Chinese reporters, Ma remarked that if their applications are also handled quickly, perhaps they will be able to come here together with the two Red Cross officials.

In any case, since processing documents takes time, it is unlikely that the four mainland Chinese will be able to arrive here today, SEF Deputy Secretary General Chen Jung-chieh said.

Liao Cheng-hao, deputy director general of the Government Information Office [GIO], said this morning that GIO has approved the two reporters' applications to visit Taiwan.

A Peking message to SEF Wednesday also asked Taipei to delay the repatriation of the 11 unindicted fishermen, but Taipei still decided to send them back Friday.

A naval ship departed from the Taichung Harbor this morning carrying the 11 fishermen and their two fishing boats, Min Shih Yu Nos. 2294 and 2295.

The ship is scheduled to arrive in Kinmen this evening, and, if everything goes smoothly, the boats and crew will be handed over to mainland officials Friday morning.

Companies With Mainland Investments To Organize

OW0708142491 Taipei CNA in English 0801 GMT
7 Aug 91

[Text] Taipei, Aug. 7 (CNA)—Political instability in mainland China is the biggest worry for Taiwan investors there, Vice Economic Affairs Minister P.K. Chiang reported Tuesday.

The Ministry of Economic Affairs earlier commissioned the Straits Exchange Foundation and the Chinese National Federation of Industries to look into the difficulties facing Taiwan-invested ventures on the mainland.

Survey results show that the mainland's political instability tops the list of major worries haunting Taiwan companies with mainland investments, Chiang said.

Other thorny problems facing Taiwan investors include stringent legal restrictions imposed by mainland authorities, difficulty in transmitting capital out of the mainland, low labor productivity, poor and inefficient management, inadequate market information, backward infrastructure, lack of independent arbitration for trade disputes and a ban on wholly-owned Taiwan companies from selling their products in mainland markets.

Chiang said that before the end of September his ministry will help organize Taiwan companies with mainland investments in order to enhance their bargaining powers vis-a-vis mainland authorities.

Petrochemical Investments in Mainland Disallowed

OW0808095391 Taipei CNA in English 0825 GMT
8 Aug 91

[Text] Taipei, Aug. 8 (CNA)—The government will not consider permitting local petrochemical manufacturers to invest in mainland China in the near future, Vice Economic Affairs Minister Li Shu-chiu said Wednesday.

Li said that after more than 30 years of development, the petrochemical industry has firmly taken root in Taiwan. The industry has established a comprehensive upper-, medium- and down-stream plant system. Three of Taiwan's top 10 export-import companies for 1990 were in the petrochemical line: Nan Ya Plastics Corp., Chi Mei Industrial Co. and Formosa Plastics Corp.

The industry's future prospects remain rosy here, Li said. "I see no need for local petrochemical manufacturers to rush to set up production lines abroad," he noted.

Li was apparently referring to a Formosa Plastics Group (FPG) plan to build a petrochemical complex in Xiamen, Fujian in southeastern China, opposite Taiwan. FPG announced its decision to build its long-talked-about

Naphtha Cracking Plant in Mailiao, Yunlin on southwestern Taiwan coast Wednesday, but it did not mention whether or not it would abandon its mainland investment plan.

Li urged local petrochemical makers to develop higher value-added products such as engineering plastics and specialty chemicals.

Li Teng-hui Meets U.S. Congressional Delegation

*OW0808110291 Taipei CNA in English 0753 GMT
8 Aug 91*

[Text] Taipei, Aug. 8 (CNA)—President Li Teng-hui received a six-member delegation of the U.S. House of Representatives Thursday morning at the Presidential Office.

President Li expressed his thanks for U.S. support for Taiwan's bid to join the General Agreement on Tariffs and Trade and U.S. assistance to the Republic of China in the past.

The Republic of China's achievements were made possible partly because of the U.S. assistance, military as well as economic, in the past, president Li told his U.S. guests.

Li assured his guests that the Republic of China will play a constructive role in the western Pacific in support of President George Bush's call for a new world order.

The delegation, led by Rep. Tim Johnson (D-SD), arrived here Sunday for a week-long visit.

Fishermen Protest U.S. Senate Driftnet Bill

*OW0708120091 Taipei CNA in English 0747 GMT
7 Aug 91*

[Text] Taipei, Aug. 7 (CNA)—Kaohsiung fishery circles Tuesday protested against a U.S. Senate bill that would authorize President George Bush to ban fish imports from countries which continue driftnet fishing in the North Pacific.

A Taiwan Tuna Fishing Association spokesman said the United States is not entitled to ban driftnet fishing in some sanctioned high sea areas before the June 30, 1992 deadline set by the United Nations.

Tsai Ting-pang, head of the association's driftnet development task force, stressed that under a fishery agreement between the Republic of China and the United States, driftnet fishing in waters south of 18 degrees north latitude in the North Pacific is not currently illegal.

Tsai urged the government to consult with the United States in order to prevent the imposition of unfavorable U.S. import restrictions on Taiwan fishery products for alleged driftnet fishing violations.

The U.S. Senate adopted a bill, entitled Driftnet Moratorium Enforcement Act of 1991, that would authorize President George Bush to impose sanctions on fishery

products from countries failing to completely ban driftnet fishing by June 30, 1992. Meanwhile, a few U.S. senators are reportedly urging the U.S. Commerce Department to recommend a ban on fish imports from South Korea and Taiwan in retaliation for alleged driftnet fishing violations.

Kaohsiung is Taiwan's most important deep-sea fishing port and 70 percent of Kaohsiung-based fishing boats use driftnets in their operations. The United States is a major market for canned Taiwan fishery products.

The driftnets, which can stretch as long as 60 kilometers, indiscriminately ensnare sea birds, marine mammals and non-targeted fish. In order to better protect marine life and ecology, the United Nations decided to completely ban driftnet fishing after July 1, 1992.

The Republic of China has banned driftnet fishing in the Atlantic and the South Pacific. It currently has 300 driftnet fishing boats operating in sanctioned areas of the North Pacific and the Indian Ocean. All these vessels are, however, forbidden to fish for salmon and trout. The government imposes heavy penalties on offending fishing boats and their skippers.

In the face of the coming worldwide ban on driftnet fishing, Tsai urged the government to help local fishermen change to other professions.

The Council of Agriculture reported that a government-funded research ship will join four local driftnet fishing boats in the North Pacific to experiment with a new type of driftnet. The new driftnet is less likely to ensnare non-targeted fish, the council said.

Direct Banking Ties Established With USSR

*OW0608142991 Taipei CNA in English 0757 GMT
6 Aug 91*

[Text] Taipei, Aug. 6 (CNA)—Four Taiwan banks established direct correspondence with the Bank for Foreign Economic Affairs of the Soviet Union Monday.

This is the first time ever both sides have had direct banking ties.

The four banks are the International Commercial Bank of China, the Hua Nan Commercial Bank, the First Commercial Bank, and the Chang Hwa Commercial Bank.

The establishment of direct correspondence with the Soviet bank took place at a time when bilateral trade has been making great strides since Taiwan lifted ban on direct trade with the Soviet Union in February, 1990.

Taipei, Moscow To Discuss Fishery Cooperation

*OW0808110491 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
6 Aug 91*

[Text] Fishery cooperation and relations between the Republic of China [ROC] and the Soviet Union soon will

enter the stage of substantial development. A Soviet fishery and trade delegation will arrive in Taiwan tomorrow [8 August] for a visit to discuss fishery cooperation between the two countries. It is predicted that a significant breakthrough will be made on this issue.

The Soviet fishery delegation comes at the invitation of Chiu Mao-ying, chairman of the China External Fishery Cooperation and Development Council, after it first met with its Chinese counterpart in Tokyo last November; the second round of talks will be held during its stay here. This will be of important significance to the development of substantial fishery relations between the two countries.

Fishery Pact Supersedes Philippine Executive Order

*OW0808104991 Taipei CNA in English 0759 GMT
8 Aug 91*

[Text] Taipei, Aug. 8 (CNA)—The Sino-Philippine Fishery Agreement signed in Taipei on July 7 should take precedence over a Philippine Presidential Executive Order, a highly placed Council of Agriculture (COA) official said Thursday.

COA Vice Chairman Tjiu Mau-ying was referring to Philippine President Corazon Aquino's Executive Order No. 473 which conflicts with the provisions of the first formal agreement signed between the two countries in nearly two decades.

Aquino issued the executive order Monday that allows Taiwan fishing boats to pass through specified sea lanes in Philippine waters on their way to and back from the south Pacific. The order was tantamount to ratifying the Sino-Philippine Agreement which went into effect Tuesday.

But Aquino's executive order requires Taiwan fishing boats to inform Philippine naval or coast guard authorities before they pass through the two sea lanes in Philippine waters.

Tjiu pointed out that this regulation is unacceptable to Taiwan because it violates the provisions of the accord.

The Republic of China [ROC] has expressed its stance on the issue to the Philippines through diplomatic channels and has asked Manila to revise the controversial administrative order, Tjiu reported. "We hope the Philippines will faithfully carry out the agreement," he added.

The Ministry of Foreign Affairs has ordered its representatives stationed in the Philippines to look into the reasons behind Aquino's conflicting executive order.

Ministry officials said that the prior notice requirement is unacceptable to Taiwan because the move implies Taipei's recognition of Philippine sovereignty over the area where the two countries' 200-mile maritime economic zones overlap.

The ROC representative office in Manila will also watch closely to see whether the Philippines publishes the agreement in its government bulletin as an official record, the officials said.

The pact, signed by Tjiu and Roberto Lucila, an assistance executive secretary at Aquino's office, on behalf of the two countries, was the result of several rounds of difficult negotiations between Chinese and Filipino officials in an attempt to resolve longstanding bilateral fishery disputes.

Under the agreement, Manila is to designate two sea lanes in its waters for innocent passage by Taiwan fishing boats, while Taipei will offer assistance in kind, including five fishing boats, to Manila.

Despite protests from Peking, Foreign Ministry officials said, the Philippines has not formally informed Taiwan of any changes in its position toward the agreement. Manila maintains diplomatic ties with Peking.

Labor Agreement With Philippines Studied

*OW0708135991 Taipei CNA in English 0755 GMT
7 Aug 91*

[Text] Taipei, Aug. 7 (CNA)—The Council of Labor chairman Chao Shou-po will meet Wednesday afternoon with Andrea Domingo, commissioner of the Philippine Commission on Immigration, to discuss the feasibility of signing a labor agreement.

Chao said that the Ministry of Foreign Affairs has agreed that workers from the Philippines, Indonesia, Thailand and Malaysia will be allowed to work on Republic of China national development projects. The signing of a labor agreement will help regulate employment brokers in those countries.

Asked about importing workers specifically from one of the four Southeast Asian countries, Chao said it would be impossible. But if one of the countries encountered a special situation (such as a natural disaster or large unemployment problems), the government would modify its arrangements.

Hong Kong

BCC-Related Rumors Lead to Run on Citibank

HK0808102391 Hong Kong AFP in English 0953 GMT
8 Aug 91

[Text] Hong Kong, Aug 8 (AFP)—A run on Citibank developed here Thursday despite bank and Hong Kong Government assurances that the U.S. bank was financially sound.

Depositors flocked to several branches and withdrew their savings following rumours that began circulating on the Hong Kong Stock Exchange late Wednesday that the bank was in financial trouble, banking sources said.

At the Citibank branch in Mongkok, withdrawals were running 20 percent above normal, Citibank officials said. They said the bank had issued a statement saying it was "operating normally" and the rumours were "baseless".

Citibank has 26 branches in the territory.

Banking sources said that the rumours also related to Citibank's connections with the scandal-ridden Bank of Credit and Commerce International (BCCI) and to remarks made almost a week ago by U.S. congressman John Dingell that the bank was "technically insolvent".

David Nendick, Hong Kong's secretary for monetary affairs, said the rumours about Citibank were "ridiculous."

"These particular rumors are only circulating inside Hong Kong," he said. "We're talking of one of the largest banks in the world. I cannot see any connection between what has happened to BCCI worldwide and this particular bank."

"I don't think it will do much good to our reputation as a financial centre with this ridiculous rumour," he added.

Hong Kong depositors are still nervous following the government's handling of the BCCI crisis in the territory when the financial authorities said that BCCI would go on trading and then 24 hours later announced it would be liquidated.

One woman who had just withdrawn all her money from a Citibank branch said Thursday: "After BCCI what do you expect us to do."

Steven Baker, Citibank's country corporate officer for Hong Kong and division head for north Asian countries, said: "People should understand the facts and our position. U.S. Congressman Dingell's comments are totally untrue, irresponsible and absurd."

Mr Baker said, "Hong Kong continues to be one of the most profitable banking centres for Citibank in the world and 1991 promises to be the most profitable year in our 90 year history here."

He refused to disclose the amount withdrawn Thursday but said it was much more than the one percent of total deposit funds withdrawn Wednesday, the first day of the run.

"Citibank has a capital base of about 18 billion U.S. dollars. We certainly will not have any problems with any amount of cash that anybody might need in Hong Kong," he said.

"No amount of withdrawals can cause a problem for us," he added.

Meanwhile, depositors of local subsidiaries of BCCI threatened to sue the government if the bank is liquidated as they entered the second day of a hunger strike in the banking district of Central to press their demands for an independent enquiry into the government's decision.

Guangdong Seeks More Money for Water Supply

HK0808064391 Hong Kong SOUTH CHINA
MORNING POST in English 8 Aug 91 p 1

[By Chris Yeung]

[Text] Hong Kong consumers face the prospect of paying more for their water to stave off the threat of rationing, it was revealed yesterday.

As a team of negotiators from the territory begin bargaining for increased supplies from China at talks in Guangdong Province today, reports indicated the price was likely to be a big new no-interest loan and a review of the prices set under a contract two years ago.

The negotiating team is seeking another 40 million cubic metres of water from China in an attempt to put a permanent end to the rationing threat, postponed until the end of the month but still, officials insist, a possibility.

The figures involved were being kept secret last night. But it is known that the Guangdong authorities are seeking extra money to upgrade and modernise the East River water system that already channels up to 85 percent of the territory's needs.

If Hong Kong has to concede large sums for additional supplies, it will set the Government a major dilemma. It has already pledged to freeze fees as part of its vital anti-inflation drive, and will be loath to abandon the policy.

There have already been sharp increases in domestic water charges since March 1990 and the last increase was in February.

The existing water deal with China was agreed in 1989, but according to left wing newspaper TA KUNG PAO yesterday, the time was ripe for a new deal to be struck.

Under the existing arrangements, Hong Kong provided an interest-free loan of HK\$1.58 billion in instalments to upgrade the East River system. But the price levels of Chinese water from 1991 to 1994 were fixed.

One of the Hong Kong delegates, Assistant Director of Water Supplies (China Water) Mr Ko Chan-gock, insisted he had no idea whether the Guangdong side would raise the issue of a price revision of the 1989 agreement at today's meeting.

He declined to comment on how much the Government has earmarked to buy the additional 40 million cubic metres of water.

"Of course, we have a figure in mind but I can't tell you now. We have also no idea about the offer made by the Chinese side such as the total of supply and other conditions.

"If we considered the conditions acceptable we will make a commitment (at the meeting). If not, we will have to report back (to the administration). We can only respond after we have received their offer," said Mr Ko.

He said the provision of an interest-free loan was only one of the options that could be considered, adding there were other ways to solve the difficulty of Guangdong in increasing its water supply to the territory.

The Hong Kong team, led by Secretary for Works, Mr Kenneth Kwok Wai-kai, includes an official from the Finance Branch.

Mr Kwok's counterpart is Mr Guan Zongzhi, director of the Guangdong Department of Water Conservancy and Electric Power.

Officials of Mr Guan's office had earlier maintained there were a lot of "technicalities" involved in the increase of water supplies to Hong Kong.

A Guangdong official confirmed that the finance problem of additional water supply would be discussed at today's meeting.

He said the authorities faced a shortage of funds in upgrading its outdated facilities and expanding the capacity of water supplies under the existing system.

Sources said that new equipment would have to be installed at the Xinfeng River reservoir, the main source of East River water, if more was to be channelled into Hong Kong.

One report said: "It's possible that Guangdong will appropriately increase its water supply to Hong Kong. Both sides have initially exchanged their views and indicated their intention."

Government Signs Lantau Port Consultancy Deal

HK0708014691 Hong Kong SOUTH CHINA
MORNING POST in English 7 Aug 91 p 2

[Text] A \$580-million [Hong Kong dollar] consultancy for the development of Lantau and further port development was signed by the Government yesterday in the first such move since China agreed to the airport project.

Planners will look at the development of the whole of Lantau and other areas around the port following the completion of the Chek Lap Kok Airport plan.

The consultancy awarded to APH—a consortium formed by Acer Consultants (Far East) Ltd, Au Posford

Consultants Ltd and Frederic R Harris Inc—was the first contract signed by the Government since a Memorandum of Understanding over the new airport was agreed upon in July.

The study will produce an outline development plan and implementation programme for the Lantau Port Peninsula to meet demands up to 2011, according to the project manager of the Port Development Office of the Civil Engineering Services Development, Mr Au Chi-lau.

Tsing Chau Tsai Peninsula in northeast Lantau Island, including Yam O, Penny's Bay and Discovery Bay and the islands of Ma Wan and Peng Chau, will be covered by the study.

The first terminal might be built in 1997 if it was necessary, but it would depend on demand, the chief engineer of the Port Development Office, Mr Sih Nam-sen, said.

"About \$25 billion will be needed for the whole port development," Mr Sih estimated.

"Sixty per cent will be financed by private consortiums, and the remainder will be spent by the Government on back-up facilities."

The area of 230 hectares will consist of river trade terminals, port back-up areas and private and industrial land in addition to the container and multi-purpose terminals.

The study is expected to be completed, together with the Western Harbour Development Study, by the end of 1992.

Editorial Notes Electoral System 'Anomalies'

HK0708031091 Hong Kong SOUTH CHINA
MORNING POST in English 7 Aug 91 p 20

[Editorial: "Ensuring electors take part in history"]

[Text] The path towards democracy is like the path of true love: it rarely, if ever, runs smoothly. And while the Government's publicity drive to persuade the Hong Kong electorate to take its turn to make history at next month's Legislative Council poll is now in full swing, anomalies are beginning to surface which indicate the electoral system itself may be in need of some fine tuning.

The situation has been judged serious enough to warrant bringing the Executive Council back from its summer recess today for a special session, during which it will consider altering existing regulations and enabling people not now on the roll to register before the elections. An amendment is expected to be gazetted on Friday. Behind the move is concern that thousands of people may have been disenfranchised for not reporting changes of address to the Electoral Office.

Many members of the public were not aware that they risked automatic deletion from the electoral roll. But the case of Mr Lai King-tim, who handed in his nomination

papers early as a candidate for the Kowloon East constituency only to find himself disqualified, has highlighted the issue.

His nomination was declared invalid because of an Electoral Office vetting exercise. He and hundreds of other voters lived in blocks of flats scheduled for demolition, and officials running the roll sent out fresh registration forms to ensure changes of address were notified. When they heard nothing, the names of those in the blocks were deleted. Mr Lai claims he never received the forms, so could not notify the Electoral Office. His case, and those of his fellow residents raise an important point.

Hong Kong's 1.88 million registered voters have proved quite reluctant enough to leave their homes or jobs and go to the polling booths in previous elections to make most wary of putting any more impediments than necessary in their way. More than a million additional citizens of the territory are qualified to take up registration, but have chosen not to do so, either through neglect or apathy. So striking out an estimated 20,000 because of a change of address seems a waste of the power in their hands.

Officials are, of course, right to be picky. For any election to be a true reflection of the geo-political temperature of Hong Kong, it must record as accurately as possible the views of those living in their designated constituencies on polling day. No electoral roll will ever be totally up-to-date, but if the time lag between compiling the register and voting is too long, thousands will have crossed constituency borders and either be casting their votes for candidates who will no longer represent them or not casting their votes at all.

Adhering to the current system of voter registration makes it look as if the Hong Kong authorities are practising the politics of exclusion rather than inclusion. In their poll post-mortem at the end of September, they

should pencil in serious thought for methods of automatic voter registration that ensure the maximum number qualified can vote if they wish, with the least possible effort.

But the system of registration is only one of a number of flaws. The rules prohibiting the posting of campaign placards and banners at "key" areas without authorisation is another. Many candidates simply ignored the regulations and put up posters anywhere until the Government threatened to take them down. Since then, several have exercised the kind of ingenuity they should, perhaps, reserve for their duties in the council chamber.

Some set up billboards with their names in bold characters and a simple, cryptic message calling for volunteers. Since they did not specify political messages or that the volunteers sought were actually campaign workers, the posters did not fall under the purview of the Constitutional Affairs Branch.

When the Government gets around to handing out campaign poster permits in strategic spots, its decisions are bound to be disputed. Rules and resolve will be tested by candidates only too well aware that any publicity, however brief or deviously achieved, is better than no publicity at all. The Constitutional Affairs Branch and the district officers speak of "equal opportunity", though so far little more than muddle is looming on the horizon.

Candidates' campaign spending is another grey area. Restricted to \$200,000 each to deter influence peddling, vote buying, graft and money politics, many feel the rules are not explicit enough.

The administration has had two sets of elections this year, first in March at the district board level and then in May for the municipal councils, as dress rehearsals. September should be the grand finale. Clearly there are a good few wrinkles to be ironed out before the curtain calls can be taken.

END OF

FICHE

DATE FILMED

27 Aug 1991

